

TO ALL OFFERORS:

You are invited to submit a proposal in accordance with the requirements of the attached Request for Proposals (RFP) No. HCFA-9206-MTSOS, entitled " Medicare Transaction System Operating Site".

Please review all requirements of the RFP and submit one (1) original and fifteen (15) hard copies and two (2) diskette copies (1.44 mm 3½ IBM compatible) of both a technical proposal and a business proposal. Telegraphic or facsimile submitted proposals are not acceptable.

Potential offerors are advised to review all sections of the attached document. In particular, the Government draws your attention to the following key sections of the document:

Section C	Description/Specifications/Statement of Work;
Section L	Instructions, conditions, and Notices to Offerors (including all relevant addresses for submission of written questions and proposals);
Section M	Evaluation Factors for Award;

The Government contemplates that three (3) awards will be made from this solicitation--two (2) Processing Centers and (1) Data Operations and Analysis Center. Awards will be made to three (3) separate and distinct business organizations, although the Government reserves the right to award more than one contract to an organization if it is determined to be in its best interests. This is a full and open competition.

The Government contemplates award of a Cost-Plus-Award-Fee (CPAF) contract. The term of the contracts will be five (5) years with two (2) one-year options.

Your proposal must be received no later than 2:00 p.m. Eastern Daylight Time on July 22, 1996, at:

Health Care Financing Administration  
Bureau of Program Operations  
Office of Contract Administration  
S2-05-18  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

Attention: Mr. John Amrhein  
Contracting Officer  
RFP: HCFA-9602-MTSOS

Proposals received after the above specified date and time will be handled in accordance with the provision entitled "Late Submission, Modifications, and Withdrawal of Proposals," FAR Clause 52.215-10 (APR 1984).

Offerors are instructed to complete the SF 1411 provided and submit it with their proposals. Offerors are also instructed to complete Sections 14-18 of the SF33 provided with this RFP (Section A) and submit it with their proposals. Please note that each offeror must provide its name and complete address, including street, city, county, state, ZIP code and the Taxpayer's Identification Number (TIN) applicable to that name and address. In addition, offerors should include in their proposal the address to which payment should be mailed, if that address is different from that for the offeror.

This solicitation and any resultant contract will incorporate clauses by reference as identified within. The clauses have the same force and effect as if they were in full text. The full text of the clauses are contained in the Federal Acquisition Regulations and are also available from the Contracting Officer.

The RFP does not commit the Government to pay any cost for the preparation and submission of a proposal. In addition, the Contracting Officer is the only individual who can legally commit the Government to the expenditures of public funds in connection with the proposed procurement.

If it is your company's intent to submit a proposal, we request that the attached, "Proposal Intent Response Sheet," be submitted at your earliest convenience. This is requested for planning purposes only and is not binding. Failure to submit a Proposal Intent Response Sheet will not preclude you from submitting a proposal.

Requests for information concerning this RFP shall be referred to Mr. John Amrhein at (410) 786-7447. Collect calls will not be accepted. For submittal of technical questions, see Section L.18.

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Contracting Officer

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John Amrhein

(printed name)

## PROPOSAL INTENT RESPONSE FORM

RFP HCFA 9602-MTSOS

Please review the attached request for proposal. Furnish the information requested below and return this form as soon as possible. Your expression of intent is not binding, nor does failure to return this sheet preclude you from submitting a proposal. However, HCFA urges you to return the form with the information completed accurately. The purpose of the form is to assist HCFA in planning for proposal evaluation.

☐ We intend to submit a proposal in response to RFP HCFA 9602-MTSOS.

☐ We do not intend to submit a proposal to RFP HCFA 9602-MTSOS for the following reasons:

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COMPANY NAME:

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COMPANY ADDRESS:

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AUTHORIZED SIGNATURE:

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TYPED NAME AND TITLE:

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TELEPHONE NUMBER:

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DATE:

---

Please return this completed form no later than June 21, 1996 to :

Health Care Financing Administration  
Bureau of Program Operations  
S2-01-23

7500 Security Boulevard  
Baltimore, Maryland 21244-1850  
Attn: Mr. John Amrhein  
RFP HCFA 9602-MTSOS  
HEALTH CARE FINANCING ADMINISTRATION  
GENERAL CONTRACT INFORMATION

Project Name: Medicare Transaction System Operating Site

RFP Number: HCFA-9206-MTSOS

Contract Type: Cost-plus-award-fee (CPAF)  
Possible renegotiation of contract type in subsequent years

Number of Contracts To Be Awarded: Three (3):  
Two (2) Processing Centers (PC)  
One (1) Data Operations and Analysis Center (DOAC)

Awards will be made to three (3) separate and distinct business organizations, although the Government reserves the right to award more than one contract to an organization if it is determined to be in its best interests.

Contract Term: Five (5) years, with two (2), one (1) year options. The Government shall have the sole and exclusive right to exercise any option.

Point of Contact: John Amrhein,  
Contracting Officer  
Health Care Financial Administration  
7500 Security Blvd.  
S2-01-23  
Baltimore, Maryland 21244-1850  
Telephone: (410) 786-7447  
Fax: (410) 786-7585

RFP Issue Date: April 24, 1996

Preproposal Conference: A preproposal Conference will be held at 9:00 a.m. on May 23, 1996 in the Auditorium in the Central Building of HCFA Headquarters at the above street address. Attendance is neither required nor a prerequisite for proposal submission.

Notice of Intent to Bid: Offerors are requested to inform HCFA of their intent to submit a proposal, in order to assist HCFA in planning. An

expression of intent is not binding and failure to submit an intent does not preclude an organization from submitting a proposal.

Proposal Due Date: July 22, 1996

# **MEDICARE TRANSACTION SYSTEM OPERATING SITE**

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**HEALTH CARE FINANCING ADMINISTRATION**  
**APRIL, 1996**

PART I

SECTION A - SOLICITATION/CONTRACT FORM

STANDARD FORM (SF) 33

PART I

SECTION B - SCHEDULE OF SUPPLIES OR SERVICES AND PRICES/COSTS

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## B.1. PURPOSE OF CONTRACT

B.1.a. The purpose of this contract is to procure Information Technology (IT) services to utilize the Medicare Transaction System (MTS) that is currently being developed for HCFA by GTE Government Systems Corporation. The data processing will take place at processing facilities hereafter referred to as MTS Operating Sites (MTSOS). Three (3) MTS Operating Sites are planned. Two (2) Operating Sites are Processing Centers (PCS) with identical functions. The third Operating Site will be a Data Operations and Analysis Center (DOAC). Working in a network, the MTS Operating Sites will be responsible for the processing of all Medicare transactions, including claims, inquiries, and encounters. While the MTS Operating Sites will ultimately perform their IT services utilizing all new MTS software developed by GTE, they will initially use existing software and a mixture of existing and new software in the performance of their IT services.

B.1.b. The Contractor will be expected to provide all of the necessary personnel, computer hardware and software (other than that supplied by the Government), facilities, equipment, supplies, and security to fully function as a MTS Operating Site. The MTSOS Contractor must also support Medicare Carriers and Intermediaries in the migration from their current claims processing systems to the MTS environment and also support the migration of Managed Care Organizations (MCOs) to the MTS environment.

## B.2. CONTRACT TYPE

B.2.a. HCFA anticipates that three (3) awards will be made from this solicitation--two (2) Processing Centers and one (1) Data Operations and Analysis Center. HCFA intends that the awards will be made to three (3) separate and distinct business organizations that are not



under common ownership or control. However, the Government reserves the right to award more than one contract to an organization if it is determined to be in the best interests of the Government.

B.2.b. The Government will utilize a cost-plus-award fee (CPAF) contract for the MTS Operating Sites. A cost-plus-award-fee contract is a cost reimbursement type contract which provides a special fee incentive for the Contractor to perform at a superior level. The Contractor shall be reimbursed for all allowable, allocable and reasonable costs incurred during contract performance. Additionally, the Contractor is paid a fee consisting of : 1) the minimum base amount fixed at award of the contract, and 2) an earned amount that may be awarded in whole, in part, or not at all, based on a subjective evaluation by the Government of the quality of the Contractor's performance.

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B.2.c. The purpose of the award fee is to provide motivation for excellence on the part of the Contractor in such areas as quality, timeliness, and cost effectiveness. The earned amount is awarded based on the Government's judgmental evaluation of the Contractor's performance. This determination is made unilaterally by the Government and shall not be subject to appeal under the "Disputes" clause or any other appeal clause.

B.2.d. The Government may reassess the type of contract and other provisions of the contract during the period of performance of this contract because of changes in legislation, functions, software, risk, etc. Should the situation arise, the Contractor agrees to negotiate contract provisions in good faith with the Government to accommodate such changes.

## B.3. PERFORMANCE PERIOD

B.3.a. The period of performance for completion of all work under this contract shall be five (5) years from the effective date of contract award, approximately March 31, 1997, through March 30, 2002.

B.3.b. At the unilateral option of the Government, the term of the contract may be extended for up to two one-year option periods (March 31, 2002 through March 30, 2003 and March 31, 2003 through March 30, 2004) in accordance with Section G.21.

B.3.c. Pursuant to FAR clause 52.232-22 entitled, "Limitation of Funds," as provided in Section I of this RFP, total funds in the amount of \$ \_\_\_\_\_\*\_\_\_\_\_ have been allotted for costs and are available for payment of the contractor's performance of the work for the contract period ending

\_\_\_\_\_\*\_\_\_\_\_. Funds in the amount of \$ \_\_\_\_\*\_\_\_\_\_ are available to cover the corresponding base and/or award fee.

\* To be negotiated and completed at contract award.

B.4. TOTAL ESTIMATED COST, BASE FEE AND AWARD FEE

B.4.a. The total estimated cost of the contract is \$ \_\_\_\_\_.

B.4.b. The total base fee is \$ \_\_\_\_\_.

B.4.c. The total award fee pool available for this contract is \$ \_\_\_\_\_.

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B.4.d. Total estimated cost plus the base fee and maximum award fee of this contract is \$ \_\_\_\_\_.

B.4.e. The base fee together with reimbursement of allowable cost, shall constitute complete compensation for the work performed under this contract, except to the extent that payment of award fee may be allowed.

B.5. YEARLY ESTIMATED COST, BASE FEE, AND AWARD FEE

	<u>Estimated Cost</u>	<u>Base Fee</u>	<u>Max Award Fee</u>	<u>Total CPAF</u>
Year 1				
Year 2				
Year 3				
Year 4				

Year 5

Option 1

Option 2 \_\_\_\_\_

Total

## B.6 AVAILABILITY OF FUNDS

B.6.a Sufficient funds are not presently available to cover the total estimated amount of this contract. However, it is the Government's intention to negotiate and award a contract using the incremental funding concepts described in the clause entitled "Limitation of Funds". Under that clause, which will be included in the resultant contract, initial funds will be obligated under the contract to cover an initial period or increment of performance as set forth under Section B.3.

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B.6.b. Additional funds are intended to be allotted to the contract by contract modification, up to and including the full estimated cost of the contract, to accomplish the entire project. While it is the Government's intention to progressively fund this contract over the entire period of performance up to and including the full estimated cost, the Government will not be obligated to reimburse the Contractor for costs incurred in excess of the periodic allotments, nor will the Contractor be obligated to perform in excess of the amount allotted.

B.6.c. The Limitation of Funds clause included in this contract shall supersede the Limitation of Cost clause until such time as an amount equal to the negotiated total estimated cost plus the base fee and maximum award fee set forth in Section B.4.d. is allotted to this contract.

## B.7. BASE FEE PAYMENTS

B.7.a. The total base fee for this contract shall not exceed two (2) percent of the total estimated cost of the contract, excluding the estimated cost for postage and printing supplies required for the Processing Center's print/mail operation.

## B.8. AWARD FEE PAYMENTS

B.8.a. In the course of this contract, the Government shall evaluate the Contractor's performance during each award fee period. The amount of award fee the Contractor earns in

the first year of

the contract, if any, is based on a subjective evaluation by the Government of the quality of the Contractor's performance in accordance with the factors and scoring plan set forth in the Award Fee Plan in Section J, Exhibit 11. The amount of award fee the Contractor earns in subsequent years will be based on award fee plans that will be developed and provided to the Contractor at least 30 days prior to each evaluation period.

B.8.b. For the first year of the contract, the Government will determine the amount of the award fee based on two evaluation periods. The first period will be the first eight months of performance and second period will be the ninth through twelfth month of performance, with the available award fee amount prorated accordingly. The actual evaluation will take place the month immediately following the evaluation period. For subsequent years, the Government will determine the amount of award fee every 6 months, with the actual evaluation taking place the month immediately following the evaluation period.

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B.8.c. The award fee amount available for each period shall be a portion of the total award fee pool available for the entire contract period. In determining the award fee pool, the costs for postage and printing supplies required for the Processing Center's print/mail operation shall not be considered.

B.8.d. In consultation with the Performance Evaluation Board (PEB), the Fee Determination Official (FDO) will determine the amount of the fee, if any, to be awarded from the available amount for the evaluation period. After the determination has been made, a letter from the Contracting Officer reflecting the amount of award fee earned shall be sent to the Contractor. The letter shall also set forth the amount of the award fee available for the next performance period. The decision regarding the amount of award fee earned is a unilateral determination by the Government and is not subject to the "Disputes" clause.

B.8.e. After notification by the Contracting Officer, the Contractor may submit a voucher for the earned award fee. Generally, any fee not awarded for a particular performance period will not be rolled over into subsequent performance periods. However, HCFA reserves the right to roll over an unearned award fee if it is determined to be in its best interests.

B.8.f. The Government may unilaterally change the Award Fee Plan at any time. The Government will notify the Contractor in writing of any change to the plan thirty (30) days

prior to the beginning of the applicable evaluation period.

#### B.9. HHSAR 352.232-9 WITHHOLDING OF PAYMENT

Notwithstanding any other payment provisions of this contract, failure of the contractor to submit required reports when due or failure to perform or deliver required work, supplies, or services will result in the withholding of payments under this contract unless such failure arises out of causes beyond the control, and without the fault or negligence of the contractor as defined by the clause entitled, "Excusable Delays," or "Default" as applicable. The Government shall promptly notify the contractor of its intention to withhold payment of any invoice or voucher submitted.

(End of Clause)

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### PART I

#### SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

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## C.1. INTRODUCTION.

This section describes the activities, duties and responsibilities of the Contractor with regard to the implementation, transition, and operation of the Medicare Transaction System (MTS) at its Operating Site.

Independently and not as an agent of the Government, the Contractor shall be required to furnish all the necessary services, qualified personnel, material, equipment, and facilities, not otherwise provided by the government, as needed to perform the Statement of Work below.

### C.1.a Scope.

(1) MTS as described in Section C.1.c and Section J, Exhibit 6, SDA Extracts, is an integrated Information Technology (IT) system supporting Medicare administration and processing. There are three Operating Sites.

(i) Two Operating Sites are Processing Centers. Processing Centers are where day- to-

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day eligibility and claims processing is done and supporting data maintained. Provider information will be replicated at all three sites. Each Processing Center will have an associated print/mail facility, approximately 45 remotely located asynchronous communications servers and a training function. Processing Centers will be assigned as the first point of contact in the MTS for Local Contractors and other major users..

(ii) The third Operating Site is the Data Operations and Analysis Center (DOAC). The DOAC is the repository of summarized data, long term storage of historic eligibility, claims and encounter data, and supporting documents. The summarized data will be used to support Medicare routine and ad-hoc research efforts. The historic data will be available for near-line and off-line support of processing at the Processing Centers and to support detailed research efforts. The DOAC will have an associated Finance Server with its own data base, System Integration function, and training IT support function.

(2) Existing Medicare managed care processes (at the HCFA Data Center (HDC)), Common Working File (CWF) and Local Contractor IT processing will be migrated to the Operating Sites as described in Section C.4 and Section J, Exhibit 2, Transition Plan. Operating Sites are not intended to provide Medicare program customer service functions (e.g., respond to beneficiary or provider questions about the Medicare program or status of specific transactions).

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(3) To support the MTS as described in Section J, Exhibit 6a, SDA Extracts, hardware and software resource procurements are constrained by use of the components catalog described in Section C.1.d, Section C.7, and Section J, Exhibit 1, Hardware/Software Catalog. Exceptions to the use of the catalog are described in Sections C.1.d and C.7. The contractor should incorporate into their acquisition strategy the requirements of the transition plans in Section C.4, and Section J, Exhibit 2, Transition Plan, and professional judgement in the procurement of IT hardware and software products necessary to run a data center.

(4) For planning purposes, the major milestones table listed in Section J, Exhibit 7, Milestones Table, may be used as a guide. The milestones are subject to change depending on MTS design and development, procurement, and transition events.

### C.1.b Background.

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(1) The Medicare program is a Federal Health Insurance Program whose beneficiaries include persons 65 years of age or over, disabled persons, and persons with chronic renal disorders. The program was established by Congress in 1965, when it enacted Title XVIII of the Social Security Act, hereafter referred to as "the Act". Medicare now serves over 36 million beneficiaries and processes over 800 million claims per year. The traditional Fee For Service (FFS) Medicare program consists of two distinct parts. Hospital Insurance (Part A of the program) covers expenses for medical services furnished in an institutional setting, such as a hospital or skilled nursing facility (SNF), or provided by a home health agency (HHA). Supplemental Medical Insurance (Part B of the program) covers physician services, certain medical equipment and services, and other outpatient services.

(2) The Health Care Financing Administration (HCFA) has primary responsibility for administering the Medicare program as delegated to the agency by the Secretary for Health and Human Services. HCFA contracts with the private sector for assistance in administering the program. The entities that process institutional bills are referred to as Fiscal Intermediaries. The entities that process physician and supplier claims are referred to as Carriers. Fiscal intermediaries and carriers will collectively be called "Local Contractors" for the remainder of the RFP. There are currently about 70 Local Contractors that process and pay claims and perform other functions for Medicare.

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(3) To ensure a quick and smooth implementation of the Medicare program in 1965, Congress adopted as part of the Act an administrative structure which was compatible with the historical pattern of administration used by the private health insurance industry. This allowed the Federal government to contract with public or private organizations to facilitate services to beneficiaries and providers. It also allowed many IT systems to develop for Medicare processing. To implement change, HCFA must pay for modification of all those systems. To move toward nationwide standardization in processing, in the decade of the 1980's HCFA established "core" requirements for Part A and Part B systems with which all Local Contractor used systems had to comply. In the mid-80's, HCFA began encouraging use of shared systems and shared processing to reduce the number of systems and to increase consistency and conformity. The Common Working File (CWF) was established in 1989 to provide a single data source where Local

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Contractors verify beneficiary eligibility and get prepayment review and approval of claims. There are currently three Part A processing systems and six Part B systems. Each system has its own maintainer, software, and data structures but coding and options used vary to accommodate local variations required by the Local Contractors. All nine CWF hosts execute the same software and have the same data structures.

(4) Since the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1987, the Medicare managed care program has provided beneficiaries an alternative to FFS processing. There are three distinct types of Managed Care Organizations (MCOs); Risk and Cost Health Maintenance Organizations/Competitive Medical Plans (HMO/CMPs) and Health Care Prepayment Plans (HCPPs). The types are distinguished by the degree of risk that the MCO shares with Medicare, whether the beneficiary pays coinsurance and deductibles, the degree that beneficiaries are restricted to the MCO's facilities, the package of benefits, and the method of payment. Generally, Medicare pays the MCOs a capitated (\$\$/enrollee) amount that varies with the type plan, geographic location, and agreement. Since 1992, Medicare enrollment has grown steadily so that about 10% of Medicare beneficiaries are currently enrolled in MCOs. The HCFA Office of Managed Care (OMC) manages the MCO certification process to ensure that MCOs meet certain standards set forth in the HMO Act of 1973, as amended.

(5) For additional information about current Medicare administration and processing, see Section J, Exhibit 8; Current Processing Flow, and Section J, Exhibit 9; Medicare Entities.

### C-3

(6) HCFA is the national leader in encouraging standardization in health insurance claims processing and in electronic billing. In close coordination with health care providers and other health care insurance organizations, HCFA has developed national numbering systems which are used throughout the health insurance industry. Standard electronic billing and remittance advice formats have been developed. In fiscal year 1994, 92.8% of all Medicare Part A bills and 70.8% of all Medicare Part B bills were submitted electronically (EDI), well beyond private sector rates. HCFA has achieved these high EDI rates by providing incentives such as faster payment, free billing and remittance software, electronic claims status inquiry, electronic eligibility inquiry and response, and national standard electronic remittance advices. HCFA has directed that effective July,

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1996, Local Contractors may no longer accept local variations in electronic billing and remittance advice formats. As a consequence of the success of the HCFA emphasis on automated processing, in fiscal year 1995 total administrative costs were only 1.7% of total benefits paid.

(7) The implementation of the shared system/shared processing initiative and the CWF, the addition of the managed care alternative, and active participation in the health industry movement toward standardization and electronic billing has provided improved processing with operational and programmatic benefits. However, as a result of increasing legislative and regulatory initiatives, the Medicare program is becoming more complex and changes are more commonplace. In an era of administrative budget reductions, HCFA must continue to make improvements to better meet these demands at less cost.

(8) Some of the complex issues that HCFA must address include:

- Growth of Medicare beneficiary population
- Growth in the number and types of Medicare alternatives
- Reductions in administrative budgets
- Inconsistencies in benefit administration
- Frequent legislative, regulatory, and administrative changes
- Difficulties in implementing changes and enhancements

C-4

(9) To address these issues, HCFA has recognized the need to take an aggressive approach. During the development and prior to the implementation of MTS, HCFA plans to aggressively promote increased use of EDI, standardization, and consolidation into shared systems. MTS will establish uniformity and eliminate processing disparity, providing a single standard, integrated, data processing and management information system.

(10) The goal of MTS is to create a data processing and management information system that:

- Improves the quality of information and services available to HCFA providers, beneficiaries, and other payers for Coordination of Benefits (COB).
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- Improves capabilities for program safeguards and contract management.
- Provides flexibility in implementation by not restricting how the Medicare “business” is organized.
- Supports one-stop problem resolution and full-range customer service.
- Provides a structure that can react to changes in needs, legislation, and technology.
- Improves control, management, and reporting of program expenditures.
- Supports alternative payment methods.
- Improves claims processing capabilities.

#### C.1.c General Overview of the MTS Design:

(1) The systems architecture for MTS has been designed by the MTS Developer/maintainer and is set forth in the MTS Systems Design Alternatives (SDA) document (see Section J, Exhibit 6, SDA Extracts).

(2) The overall MTS architecture is comprised of many individual components, including intelligent desktop, network and other hardware, commercial as well as custom developed software, various data bases, a test facility, and others, as briefly described in the following sections.

(i) For an overview of current Medicare processing flows, see Section J, Exhibit 8, Current Processing Flow.

(ii) For a more complete discussion of the MTS design, see Section J, Exhibit 6a, Reference Alternative Overview, which is an extract from the MTS development contractor’s SDA. The complete SDA is available in the library at the HCFA Central

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Office. Where there are conflicts between the SDA design and Section C requirements, the Section C requirements shall prevail.

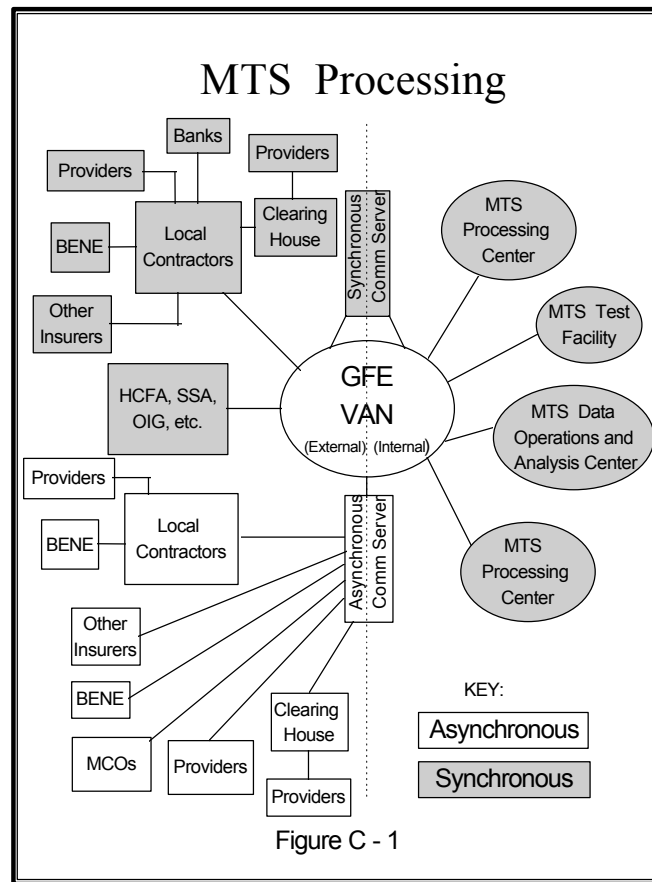
(iii) The term “processing entity” (PE) is used to describe a portion of the MTS application architecture. A processing entity is a combination of hardware and software, assembled in a single logical unit, required to perform a specific set of functionality. For a listing and high level description of the processing entities used in the SDA, see Section J, Exhibit 6c, MTS Application Architecture.

(iv) For more information about sizing and physical distribution of functions in the MTS, see Section J, Exhibit 6b, Processing Entity Distribution and Sizing. It should be noted that to accommodate transition processing, each Processing Center will need an additional five terabytes of DASD in addition to the requirements shown in Section J, Exhibit 6b; Processing Entity Distribution and Sizing.



### (3) Network Architecture:

(i) The MTS Network architecture provides connections among the internal MTS components (Processing Centers, DOAC, and communications servers) and external MTS users (Local Contractors, providers, clearing houses, beneficiaries and banks). The network will support Wide Area Network (WAN) and Local Area Network (LAN) technology. The WAN connectivity among MTS Operating Sites (right of the dashed line in figure C-1) will be provided through such technologies as Asynchronous Transfer Mode (ATM), T3, and frame-relay. HCFA will supply the WAN as a Government Furnished Equipment (GFE) Telecommunications Network. See Section C.17, Telecommunications Support, for additional information. LANs will serve within the Operating Sites, MTS Test Facility, remote specialty servers, and other remote communications sites. LANs within Operating Sites and telecommunications necessary to connect to remote specialty servers (e.g., Print/Mail, Finance Servers) will be the responsibility of the Contractor.



Each LAN will be sized according to local network traffic using either Ethernet, FDDI, Token Ring or Fast Ethernet depending on applicability. Native communications within MTS will be TCP/IP. There is, however, a need to support SNA/SNI for both external user interfaces and specialized internal functions such as inter-Operating Site bulk data transfer.

(ii) Asynchronous entry and exit points to the MTS will be the communications servers. Batch and interactive traffic will be passed as MTS messages across the WAN to the serving Processing Center or DOAC LAN for routing to the appropriate processing entity. Interactive communications between the Processing Centers and DOAC will be via asynchronous use of the WAN.

(iii) Synchronous batch and interactive traffic will be passed over the WAN to the synchronous communication server which will either pass it to the local Processing Center LAN for routing to the appropriate processing entity or back through the WAN to a remote Processing Center or DOAC for subsequent processing.

#### (4) Processing Centers.

(i) The Processing Centers support MTS functions such as claims processing, managed care payment calculations, resolution of suspended claims, beneficiary and provider services, generation of correspondence to beneficiaries and providers, standard inquiries, data management, and reporting.

(ii) Processing Centers receive input from and send output to MCOs, Local Contractors, providers, beneficiaries, HCFA, and other users via the communications servers. Both interactive and EDI transactions are received in the form of standard MTS messages.

(iii) Each Processing Center has data for all MTS providers, all MTS reference tables, and one half of the beneficiaries and their associated claims based on a hashing algorithm (mathematical manipulation of the beneficiary HICN). The active claims as well as the last nine months of claims history are maintained at each Processing Center for use in duplicate claim checking and for adjustments, while the entire claim is sent to the DOAC immediately after payment or denial. Claims are archived from the Processing Center files as they age past the 9 month period based on the date of finalization. Adjustments of claims that were paid more than 9 months prior to the adjustment request require that the claim information first be retrieved from the DOAC.

(iv) The communication server routes transactions to the proper Processing Center based on a hashing algorithm. Claims and beneficiary inquiries and updates are processed at the Processing Center where the beneficiary's eligibility data resides.

(v) For transactions which require data from multiple Operating Sites, such as provider inquiries for the status of multiple claims, or do not involve a beneficiary, such as reference table updates, each communication server has a primary Processing Center. Transactions are routed to the appropriate processing entity at the communication server's primary Processing Center and data is pulled in from other sites as necessary.

(vi) All transactions that enter a Processing Center also pass a security validation check. This check consists of authorization and authentication verification as appropriate for the type of transaction being processed.

(vii) Processing Centers shall be available for online beneficiary status queries seven days a week for 24 hours per day (7x24). All other transactions require the Processing Center to be available for six days a week and 20 hours per day (6x20).

(5) Data Operations and Analysis Center.

(i) The DOAC supports a variety of activities which must be performed at a consolidated national level. The DOAC is the repository for MTS national historical data, metadata (i.e., data about data), and financial data.

(ii) Data at the DOAC is aggregated to facilitate analysis and reporting on a national level. Full claims history is also maintained in a non-aggregated detail level. This full claims history includes ten years of claims, managed care encounter, and attachments data. Both the aggregated and detail claims data are available for data analysis for contract management and program safeguards. In addition, a copy of a claim detail can be pulled back to a Processing Center for processing adjustments and for checking for duplicate claims. This distribution of the data reduces the amount of claim storage at each Processing Center and enables the separation of MIS and OnLine Transaction Processing (OLTP) functionality.

(iii) DOAC data is a primary resource for statistical analysis of behavior patterns of fraud and abuse.

(iv) The DOAC is subject to a six day a week, 24 hours per day (6x24) availability requirement.

(6) Finance Server.

(i) MTS has only one financial processing entity, the Finance Server (PE24), which provides consolidated financial accounting and reporting for MTS. The Contractor responsible for operating and managing the DOAC facility will also be responsible for operating and managing the Finance Server. This Server may or may not be co-located with the remainder of the DOAC facility at the discretion of the Contractor. This consolidation allows for reporting and a single point of access to obtain financial information ordered by provider, contractor, and beneficiary as well as consolidated financial system information. The Finance Server has its own data repository, which allows for a centralized accounting facility and eliminates the need for synchronizing the data. To ensure the integrity of this critical MTS component, special consideration must be made with respect to security and disaster recovery.



(ii) For fee-for-service payments, claim processing files generated by the Processing Centers will be passed on to the Finance Server where final generation of payments occur. Payments are made either by check or by electronic fund transfers (EFT). For managed care payments, capitated rate files inclusive of prospective enrollments and retroactive adjustments will be passed to the Finance Server where final calculation and generation of payments to MCOs will occur. The Finance Server will have in its data bases all information about MCOs plans under contract to Medicare needed for calculation of payments. Various reports for the MCOs and for HCFA are also generated here. Check payment files will be forwarded from the Finance Server to Medicare's Local Contractors or to the Print/Mail processing sites. EFT payment files will be forwarded from the Finance Server to Local Contractors, specialty contractors, or to banking entities.

(iii) The software component of the finance entity consists of financial administration functions, financial table maintenance, financial reporting, and payment process. Financial administration functions include accounting and general ledger, cash management, accounts payable, accounts receivable, debt collection, and cost report case management. The MTS accounting system will be integrated with all other MTS processing systems, such as claims processing, and will meet the requirements of the Chief Financial Officers Act. This data will be resident on the Finance Server and will be accessed on a daily basis by Medicare's fiscal intermediaries and carriers, HCFA staff, and staff from the Office of the Inspector General.

(iv) MTS is the means through which Medicare fiscal agents carry out their fiduciary responsibilities; it does not itself have such a fiduciary relationship. Although the Contractor will be responsible for maintaining the Finance Server, the Contractor will not be responsible for performing any financial management or accounting activity or analyses in regard to Medicare benefit payments. These activities will be performed by staff located within authorized external user organizations.

(v) The MTS design is flexible with regard to printing. Files of information to be printed may be forwarded to an MTS Processing Center or to Local Contractors.

(vi) The finance processing entity shall be available twenty (20) hours a day, six (6) days a week. The inbound transactions to this process entity are financial data from Processing Mainline (PE20), managed care transactions from Processing Support (PE21), support messages and financial transactions from the Communication Servers, and financial information from the Print/Mail Server (PE31). The outbound transactions are the support messages to the Communication Servers, electronic funds transfer (EFT) transactions to banks, and update messages (i.e., check numbers from PE31) to Data Analysis Services (PE13).

## (7) Communication Servers.

(i) The communication servers are the cornerstone of this architecture, providing a secured and controlled point-of-entry to and point-of-exit from MTS. Because both asynchronous traffic and synchronous traffic are supported by MTS, two different types of communication servers are needed. The asynchronous communication servers accept transaction inputs and distribute outputs using the TCP and IP via asynchronous messaging. The synchronous communication servers support SNA input and output traffic.

(ii) The communication servers accept batch and interactive data transmissions. Batch inputs are in the form of EDI transmissions that conform to pre-determined industry standards. Transactions pass through a security authentication process. Once a connection is accepted, the batched file is stored on DASD for input processing and logging. The input processing includes read-only format edits and initial field edits that are referenced through the MTS Reference Tables resident in memory. Transactions or files that do not pass the input processing are rejected by the system, and a notification is sent to the submitter via the output processing software. Once edited, a unique transaction or control number is attached to each transaction. This unique ID is used for internal tracing and for any references that may be done to a claim during its MTS life cycle. A hash is then done on the beneficiary HICN for each transaction so that the transaction is stored in the correct Processing Center's work queue. Once in the queue, a claim is processed by the queuing mechanism which is responsible for distribution of a transaction to the Processing Center.

(iii) Interactive traffic includes data entry, inquiries, medical reviews, and claims resolution, and may originate from MTS desktops or ARUs. An interactive transaction passes through all the processes identified for batch transmissions, except for the queuing mechanism process. Interactive transactions are not queued, thus preventing inherent delays associated with a queuing algorithm. These transactions are forwarded to a Processing Center or the DOAC after all communication server processing has been successfully completed.

(iv) Placement of MTS communication servers varies, depending upon whether they are of the synchronous or asynchronous class. Synchronous communications servers will be located at the Processing Center's primary processing site. Asynchronous communications servers on the other hand, will be located at the Processing Center's primary processing site and at various locations around the country. The design of MTS is independent of physical location of communication servers.

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(8) Print Mail Facility.

(i) Each of the two Processing Centers will provide a Print/Mail capability to produce output generated by MTS and targeted primarily to providers and beneficiaries. While Print/Mail functionality is being procured together with the Processing Centers, the Print/Mail function itself is considered a separate physical and logical entity from the Processing Center. The Print/Mail Facility may or may not be physically located with the remainder of the Processing Center. It is envisioned that input to the Print/Mail function can be created at sources (e.g., Finance Server, DOAC) other than its associated Processing Center.

(ii) At implementation, the Print/Mail facility will not be responsible for printing and distributing checks. The Government may, however, at a later date implement the printing and distribution of checks by the Print/Mail facility.

(iii) There is no constraint on the bidder to use the component catalog (Section J, Exhibit 1) for any element of the Print/Mail function.

C.1.d Concept and Limitations of the Catalog.

(1) To complete the design specifications for the MTS architecture described above and in Section J, Exhibit 6, SDA Extracts, and to ensure compatibility of commercial hardware and software products throughout the MTS, the MTS Developer/maintainer completed an independent component competition. The MTS Developer/maintainer has entered into agreements with the vendors whose products satisfied the specifications of the competition. These agreements include guaranteed prices, delivery schedules, warranty, maintenance and technology enhancement provisions. This competition and subsequent agreements produced a two part "Catalog" of hardware and software components to support the design goals of MTS at each Operating Site. The MTS Developer/maintainer will periodically "refresh" the Catalog through a series of sustainment activities intended to support product upgrades and allow infusion of new technology into the MTS environment. Provisions have been made in Section C.7 for Operating Site Contractors to request items be added to the catalog.

(i) The first part of the Catalog is a comprehensive listing of the components with their included sub-components, prices, delivery schedules, warranty, maintenance and technology enhancement provisions. This comprehensive listing is not presented in Section J. It will, however, be available at the HCFA Central Library.

(ii) The second part of the Catalog is a “parts list” of hardware and software components and the number necessary at each site. Section J, Exhibit 1; Hardware/Software Catalog,

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contains this part of the catalog (divided into four sections for a Processing Center, DOAC, Finance Server, and Asynchronous Communications Server) and a list of vendor contacts. Items with “NO” in the Component Competed (C.C.) column of Section J, Exhibit 1, are necessary to the Operating Site but were not competed and will be procured through the offeror’s normal channels.

(iii) To support the MTS as described in Section J, Exhibit 6; SDA Extracts, hardware and software resource procurements are restricted to items described in the component catalog. The Contractor may, at its discretion, acquire the hardware and software that appears in the MTS Hardware/Software Catalog, in the amount specified in the catalog, directly from the vendors appearing in the catalog under terms and conditions they negotiate with the vendor(s). It is presumed that such an approach, if used, will result in more favorable costs, terms or conditions. The equipment must be identical to what is listed in the catalog and include no less of a warranty, maintenance and technology enhancement provision as that contained in the catalog.

(iv) Because the hardware and software component volumes shown in the catalog reflect full capability, the Contractor should evaluate HCFA’s Transition Plan, with associated CWF and shared processing systems, data volumes and capacity requirements, in consideration of an acquisition strategy. The Milestone Table, Section 5, Exhibit 7, should also be used as a guide.

(2) The Catalog does not include components for the following support functions:

(i) automated mail handling devices - used to support print/mail operations at the Processing Centers. The Operating Site contractor is required to supply the components and systems integration services necessary to meet HCFA supplied specifications;

(ii) magnetic reel-to-reel tape devices - this class of hardware is being phased out and replaced with higher density magnetic cartridge devices. However, MTS must support compatibility with customers that continue to use this medium for batch transaction submission. HCFA has determined it to be more cost effective for the Operating Site contractor to supply these components;

(iii) ancillary support software - a class of software products in addition to those

typically bundled with the core operating system. The Operating Site contractor is required to augment the Catalog with any necessary software products to effectively manage and control MTS operations.

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(iv) diagnostic and monitoring tools - the products which will allow the Contractor and the MTS Developer/maintainer to better resolve problems and optimize performance. The Contractor shall recommend any diagnostic and monitoring tools it identifies as being necessary that are not shown on the MTS Catalog. Such tools may be subject to enterprise-wide coordination in the System Management Planning Group (SMPG) as described in Section C.1.e and Section C.20.

(3) The Catalog only coincidentally addresses the hardware and software requirements of the CWF and shared system processing that will occur at the Processing Centers during the transition period. Those systems are traditional MVS, CICS, VTAM, VSAM based with a mixture of online and batch processes. Additional DASD has been identified in Section C.7 to address transition storage needs.

### C.1.e System Integration Overview.

(1) A number of critical systems integration activities must be carefully planned and executed in order to ensure successful implementation and operation of the MTS. These activities include ongoing planning, day-to-day system management, network management, and technical support, for which responsibility is shared among several MTS entities. Involvement of these entities will be intensive and must be carefully coordinated during the initial site preparation and transitions, and on an ongoing basis throughout the life of MTS. HCFA will acquire systems integration services to lead the technical planning, coordination, and implementation activities necessary to establish the MTS Operating environment, and sustain maximum availability, peak performance, and efficiency. Systems Integration services will be provided by the Data Operations and Analysis Center contractor.

(i) The following entities and contractors will need to coordinate closely in order for the MTS effort to succeed:

- HCFA
- GTE Government Systems - the MTS developer;

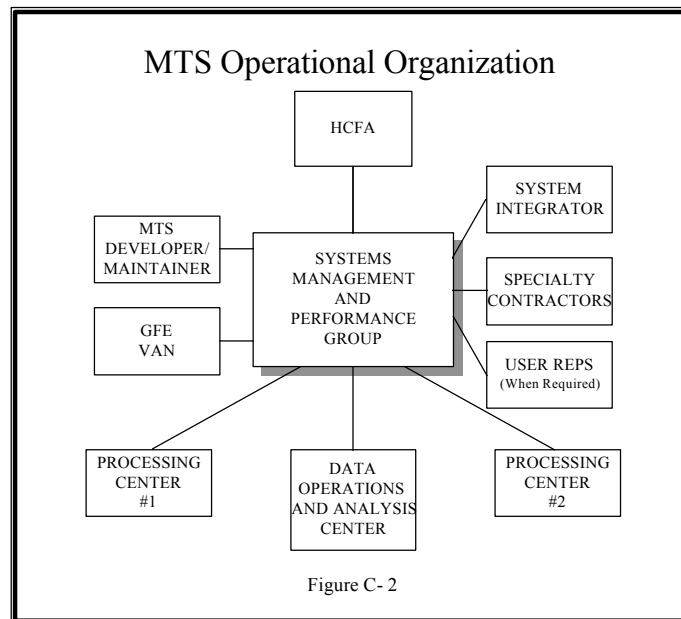
- Processing Site #1 Contractor;
- Processing Site #2 Contractor;
- Data Operations and Analysis Center Contractor;

- Telecommunications VAN Contractor;
- MTS Test Facility (MTS-TF) Contractor; and
- Transition Training Contractor.

(ii) Other entities which will directly influence the success of the MTS project include but are not limited to:

- Intermetrics Systems Services Corporation, IV&V for MTS Development contract;
- SETA Corporation, MTS testing support services contractor;
- 70 Local Contractors;
- IV&V contractors, if any, for the Operating Site contracts; and
- CWF host contractors.

(iii) In support of systems integration planning and coordination efforts, it is HCFA's intent to establish a Systems Management Planning Group (SMPG). The SMPG will be a platform for all MTS entities mentioned above to participate in ongoing planning and coordination of systems management, network management, and technical support activities, as well as establishing priorities, policies, standards, and guidelines necessary to maintain the MTS operating environment consistent with requirements of this contract.



(iv) The SMPG's main body is intended as an interdisciplinary committee, with possibly multiple intra disciplinary sub-committees operating under it. The SMPG will be co-chaired by HCFA and the DOAC Systems Integrator. SMPG membership will, at minimum, consist of representatives from the following key MTS entities:

- HCFA;
- MTS Developer/maintainer;
- MTS Operating Site contractors;
- MTS Test Facility Contractor; and
- GFE VAN services contractor.

(v) The SMPG will meet routinely to receive input on system management issues and to disseminate plans, priorities, guidelines, and schedules for system integration activities. The SMPG will be responsible for approving all recommended system management tools, techniques, and methodologies. In addition, the SMPG will coordinate all systems management activities which affect more than one Operating Site or communication server site, such as: routine backup/recovery procedures and techniques; business resumption contingency planning; and managing the introduction of new, or changes to existing, commercial hardware, software, or network inventory within the production environment.

#### C.1.f Help Desk Overview.

(1) Help Desk as used in this contract refers to assistance in the resolution of technical and processing problems.

It should be used for:

- Reporting and resolving loss of telecommunications connectivity;
- Establishing connectivity;
- Reporting and resolving late processing, missing processing or files not being processed;
- Reporting and correcting software or processing which is not functioning properly or abnormally ends (ABENDs);
- Reporting and resolving system security disconnects;
- Reporting system outages;
- Clarifications of system documentation; and
- Reporting and resolving data problems not related to a single record.



It should not be used for:

- Resolution of problems relating to a single transaction (claim, enrollment, etc.) unless that transaction is symptomatic of a wider system problem;
- Inquiries about the Medicare program (Medicare policy and practices, meaning of normal processing codes, etc.);
- Status of claims and other normal processing; and
- Routine security administration.

(2) As can be seen in figure C-3, MTS Help Desk Decision Tree, the MTS help desk is a multi-tiered system that envisions problem resolution at the lowest level possible with escalation only when necessary. During transition, MTS Processing Centers will be assigned primary responsibility for a community of Local Contractors, MCOs, clearing houses and billing agents. Those entities will be instructed to call their primary Processing Center for problem resolution. Providers and beneficiaries with technical problems will continue to call their Local Contractors. If the problem is outside a Local Contractor's control, it will call its primary Processing Center if it is an MTS problem or the GFE VAN Help Desk if it is a telecommunications problem. If the problem is outside an Operating Site's control it will call either the GFE VAN contractor or the MTS-TF where the MTS Developer/maintainer can address the problem.

(3) See Section C.9, Technical Support, for detailed requirements pertaining to the Help Desk function, technical support and customer service. The appropriate HCFA Regional Office will continue to be a resource for MTS customers with problems which cannot be resolved through the normal Help Desk procedures or if the Help Desk system is unresponsive.

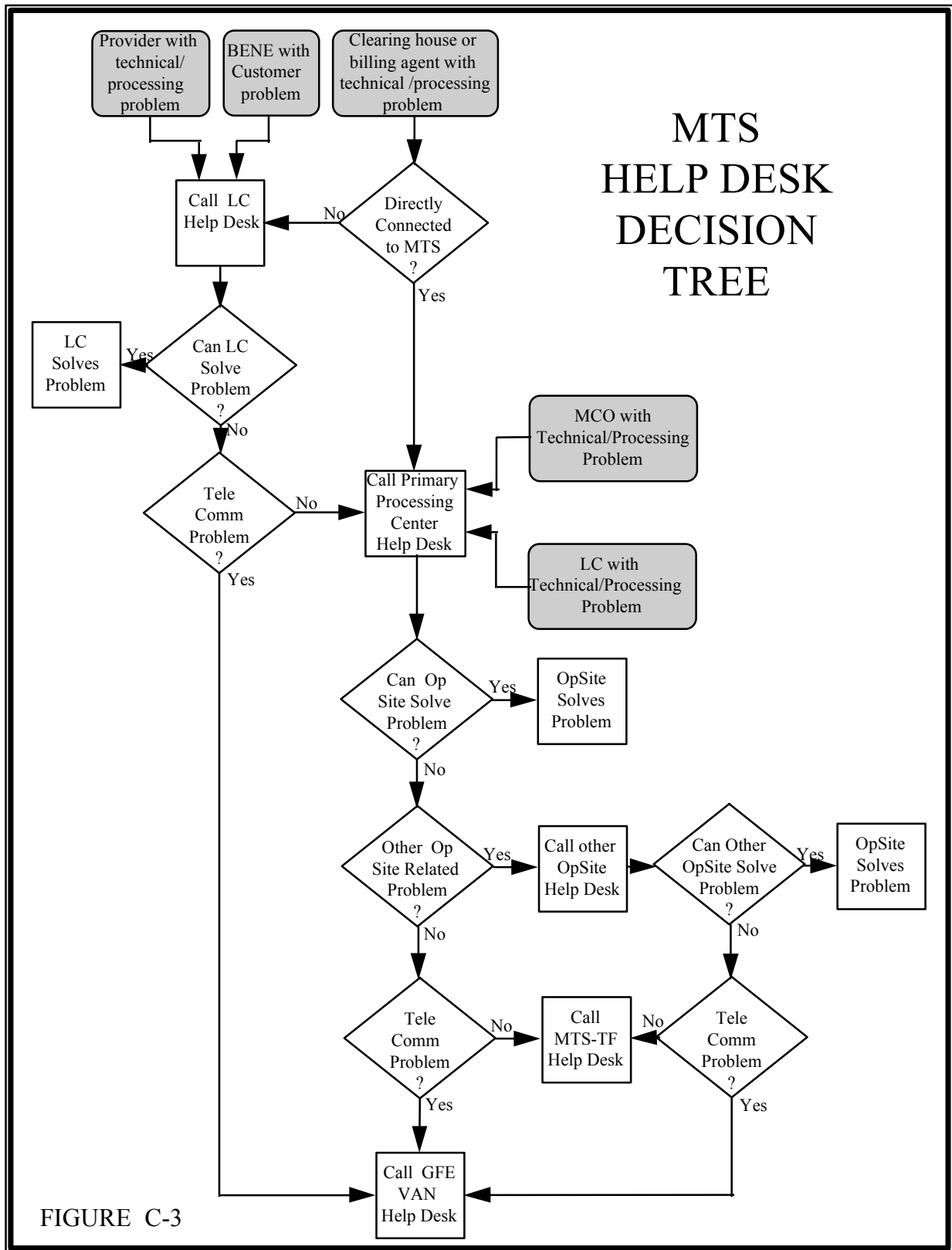
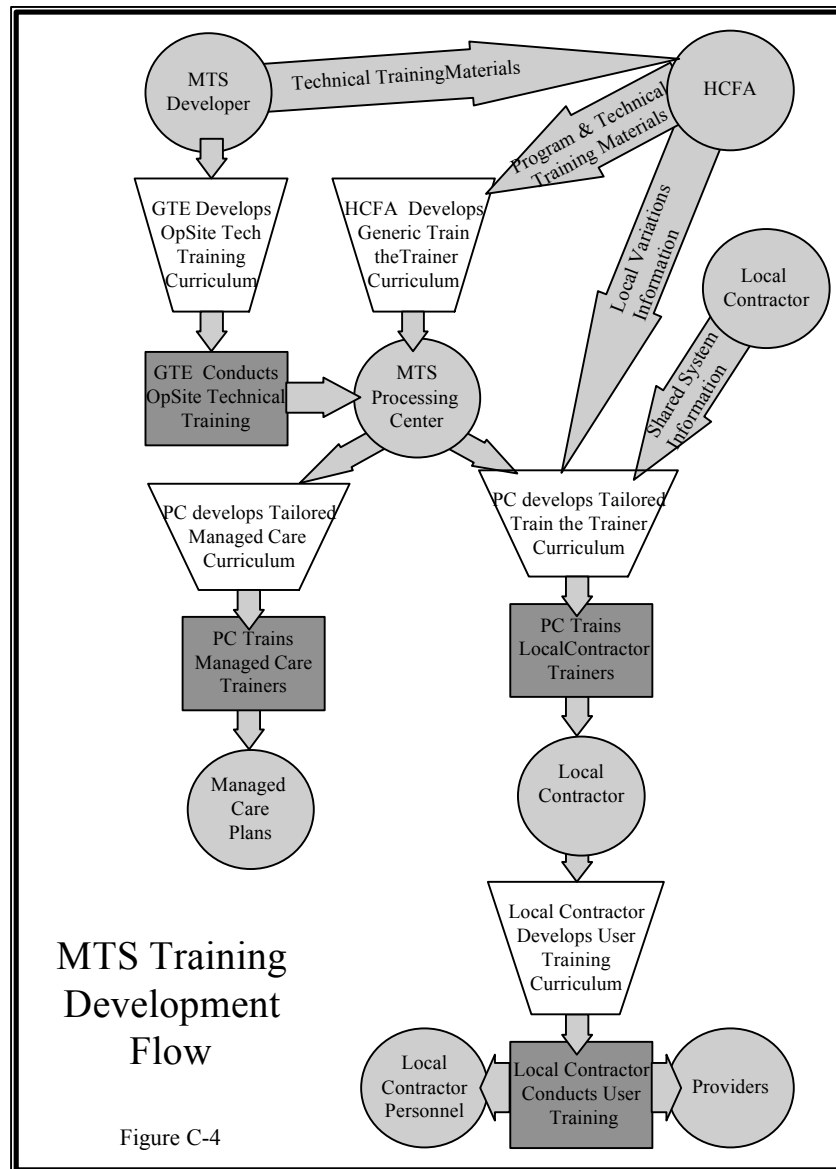


FIGURE C-3

## C.1.g Training Overview.

(1) Migration from current processing to the MTS will require that MCOs, Local Contractors and providers receive technical, Medicare program, and MTS user training in varying degrees. Training will be accomplished by a coordinated effort of the MTS



Developer/maintainer, HCFA, the MTS operating site contractors, and Local Contractors in close coordination with the transition plans and schedules that will be developed. Figure C-4 depicts at a high level how the training materials will be developed and presented.

(2) The MTS Developer/maintainer is responsible to develop MTS system documentation and “train the trainer” materials pertaining to the MTS processing and to train Operating Site personnel in the installation, maintenance and use of the MTS. This training will cover both the technical training for use by Operating Site staff and user training so that appropriate Operating staff personnel are prepared to train the MCO and Local Contractor trainers. HCFA will review the “train the trainer” materials.

(3) HCFA anticipates that there will be Medicare program changes for which MCOs and Local Contractors will need training. HCFA will incorporate the program training into the user training materials received from the MTS developer/ maintainer to generate a generic “train the trainer” curriculum for the Processing Centers’ training staffs. HCFA also has collected information about current system local variations that will be given to the Processing Centers for incorporation into training materials.

(4) The Processing Center training staffs will pull together the MTS training, HCFA supplied user, program, and local variation information and, in conjunction with the Local Contractor/MCO transition/training staffs, develop a tailored “train the trainer” curriculum and materials that meet the needs of MCO and Local Contractor trainers when they begin training their personnel.

(5) The Local Contractors and MCO in turn adapt the Processing Center developed materials to their local needs and train their staffs and providers. It is expected that the Processing Center training staff will be available for some Local Contractor training to field questions and to gain feedback on the quality of Processing Centers’ trainer training .

(6) Both the Processing Centers and Local Contractor developed curricula will require IT support for hands on training and demonstration. The DOAC will maintain training systems that mirror the production environments with independent sets of data for each Processing Site and Local Contractor to use. Prior to transition, the DOAC will need to establish procedures with each training site and to coordinate system availability, system resources, and refreshing data for the next cycle of training.

C.1.h Organization of Subsequent Statement of Work Sections.

(1) Subsequent sub-sections of Section C, Description/Specifications/Work Statement, will address the requirements for this Contract. They will generally be organized in the sequence of:

- (i) General introduction to the section;
- (ii) Requirements that apply to all Operating Sites;
- (iii) Requirements that apply to only the Processing Centers; and
- (iv) Requirements that apply to only the DOAC

## C.2. MTS OPERATING SITE REQUIREMENTS.

This section describes the functions, activities, responsibilities, and requirements necessary to perform as an MTS Operating Site Contractor. Refer to Section J-10 Responsibilities Matrix for an array of the various entities involved in supporting an MTS Operating Site against a list of responsibilities in condensed format, reflecting the detailed requirements described throughout this statement of work. Unless otherwise specified, all requirements under this section apply to both the Processing Center and the Data Operations and Analysis Center.

### C.2.a General:

- (1) The Contractor shall provide personnel as described in C.5; MTS Operating Site Personnel.
- (2) The Contractor shall provide facilities as described in C.6; MTS Operating Site Facility.
- (3) The Contractor shall provide hardware and software as described in the MTS Hardware/Software Catalog (See Section J, Exhibit 1; MTS Hardware/Software Catalog) and as described in Section C.7; MTS Operating Site Hardware/Software Requirements.
- (4) The Contractor shall install and test the Telecommunications linkages and protocols provided by the HCFA GFE VAN.
- (5) The Contractor shall provide MTS Operating Site Security as described in C.13; MTS Operating Site Security.
- (6) The Contractor shall provide a Project Management Plan, as described in Section C.3; MTS Operating Site Project Management Plan.
- (7) The Contractor shall provide all reports and plans in this statement-of-work or as necessary by the proposal submitted under this contract.
- (8) The Contractor shall begin to meet with the HCFA Contracting Officer and Project Officer within 3 working days of contract award.

(9) The Contractor shall receive, install and operate the MTS software as provided by the MTS Developer/maintainer. See C.11; MTS Operating Site Installation, Application and Validation Testing.

(10) The Contractor shall receive, install and operate releases of MTS software from the MTS Developer/maintainer as described in Section C.10, MTS Operating Site Application Software Releases.

(11) The Contractor shall maintain the integrity, security, availability, and recoverability of MTS data bases and data stores, file transfer processes, telecommunications linkages and software. See C.14, MTS Operating Site Data Base Administration.

(12) The Contractor shall perform back up recovery and disaster recovery processes, in accordance with HCFA approved plans. See C.12, MTS Operating Site Business Resumption Plan.

(13) The Contractor shall not operate resources dedicated to MTS that are shared with other lines of business, refer to Sections C.6; MTS Operating Site Facilities and C.7; MTS Operating Site Hardware/Software Requirements.

(14) The Contractor shall enter into service level agreements between HCFA, other Operating Site(s), Local Contractors, MCO's, providers, and Clearing Houses for the purpose of establishing and meeting the expectations of Section C.8; MTS Operating Site Interactions and developing a set of interactions with those entities.

(15) The Contractor shall be available during specified operational periods in support of the various MTS entities. See Section C.15; MTS Operating Site Production Scheduling.

(16) The Contractor shall be required to participate in meetings with HCFA, Local Contractors, MTS Developer/maintainer, vendors, providers, beneficiary groups, and others, as needed.

(17) The Contractor shall participate as a member of the System Management Planning Group (SMPG), as needed.

(18) The Contractor shall incorporate the HCFA Transition Plan, as amended, into its Project Management Plan for assisting Local Contractors during the transition process. See Section C.4; MTS Operating Site Transition Plan.

(19) The Contractor shall provide technical support as described in Section C.9; MTS Operating Site Technical Support.

(20) The Contractor shall be subject to the reviews and standards described in Section C.16; MTS Operating Site Performance Standards.

(21) The Contractor shall provide telecommunications support as described in Section C.17; MTS Operating Site Telecommunications Support.

#### C.2.b Processing Center:

(1) Each Contractor shall provide a Print/Mail operation. See Section C.19; MTS Operating Site Print/Mail Requirements.

(2) The Contractor shall provide training for MTS users as described in Section C.18; MTS Operating Site Training Support.

#### C.2.c Data Operations and Analysis Center:

(1) The Contractor shall provide IT training support as described in Section C.18; MTS Operating Site Training Support.

(2) The Contractor shall provide systems integration services as described in Section C.20; MTS Operating Site Systems Integration.



### C.3. MTS OPERATING SITE PROJECT MANAGEMENT PLAN.

This section describes the minimum requirements for the Project Management Plan (PMP) the Contractor shall submit with the proposal and which shall be approved by HCFA. Unless otherwise specified, all requirements under this section apply to both the Processing Center and the Data Operations and Analysis Center.

#### C.3.a General:

(1) The Contractor shall ensure that an approved project management approach for planning, organizing, and managing the staff, activities and resources required under this contract is in place throughout the life of the contract. The Contractor shall provide a project management approach that demonstrates the importance of this contract and the priority that will be placed on it by the corporation. The PMP shall define all major tasks and sub tasks necessary to install and determine the accuracy and operability of the MTS software and telecommunication linkages as provided by HCFA, the MTS Developer/maintainer and the HCFA GFE VAN. Any changes that prompt a modification to the HCFA approved PMP must be reviewed and approved in writing by the Project Officer. All schedule impacts shall be identified by the Contractor and approved in writing by the Project Officer.

(2) The PMP shall address, at a minimum, the following subjects:

(i) Project Overview, which shall include a summary description of the project and the project's objectives and requirements.

(ii) Project Organization, which shall include a description of the project organization, organizational components and their roles, and points of contact in the Contractor's organization. In addition, the plan shall address the Contractor's understanding of any points of contact in HCFA and key interfaces between the Contractor and other MTS entities.

(iii) Resource Management, which shall include a Work Breakdown Structure (WBS), defined to at least the third level, encompassing the Contractor's understanding of the activities to be performed including project review points.

(iv) Visual Displays, which shall display and identify the project tasks to be performed using Project Evaluation and Review Techniques/Critical Path Method (PERT/CPM) and Gantt Chart techniques. In addition, a project time line shall be included which shall reflect all major and critical milestones required to successfully meet all requirements of this contract.

(v) Deliverables, all of which shall be defined and shall include resource requirements.

(vii) Standards and procedures, which shall include documentation on how the Contractor intends to comply with the standards and procedures stated in this statement-of-work, and documentation on organizational procedures which might impact on the project and that should be brought to HCFA's attention.

(3) The PMP shall provide detail and/or discussion on at least the following topics:

(i) Detail on how technical decisions will be made and how controls will be exercised to assure adherence to the project schedule.

(ii) Clear and concise definitions on what constitutes successful completion of each task.

(iii) Detail on services and support required from the Government and/or other organizations.

(iv) Detail on how relations will be established with all required MTS entities.

(v) Detail on participation and membership on the System Management Planning Group.

#### C.3.b Processing Center:

There are no additional requirements that are solely applicable to the Processing Center. The Contractor must meet the general requirements set forth in C.3.a.

#### C.3.c Data Operations and Analysis Center:

There are no additional requirements that are solely applicable to the DOAC. The Contractor must meet the general requirements set forth in C.3.a.

#### C.4. MTS OPERATING SITE TRANSITION PLAN.

This section describes the functions, activities and responsibilities that the DOAC and each Processing Center contractor will have for the transition of Medicare Local Contractors (Intermediaries and Carriers), CWF Hosts, Managed Care Organizations (MCOs) and other users to the MTS. It also delineates the responsibilities that other entities will have in interacting with the Contractor

##### C.4.a General:

For proposal purposes only, Contractors should use the information in Section J, Exhibit 2; MTS Transition Plan. Each Processing Center should include an additional five terabytes of DASD for transition.

##### C.4.b. Processing Center Contractor Responsibilities:

(1) During transition, each Processing Center shall complete three major tasks, that overlap in time (1) Pre-planning, team organization, and scheduling; (2) Preparation and pre-transition testing; (3) The actual Transition. See Section J, Exhibit 2.b-d.

(2) The Processing Center shall begin preplanning, team organization, and scheduling as soon as possible after award of each Processing Center contract. The task ends with the approval by HCFA of the Processing Center's integrated transition schedule.

(i) Each Processing Center Contractor shall establish communications with each CWF Host and Local Contractor for which it is the Primary Processing Center, and a HCFA Regional Office liaison from the Region overseeing each MCO or Local Contractor. The Processing Center, Local Contractor, Local Contractor's Standard System Maintainer, and Regional Office shall form a Local Transition Team (LTT) to coordinate the specific schedule of each Local Contractor's Transition. A similar team shall be formed for each CWF Host assigned to the Processing Center, including representatives from the Host, the CWF maintainer, and a Regional Office, as well as the Processing Center. Each LTT shall be chaired by a Processing Center representative.

(ii) Within 30 days after award of each Processing Center contract, HCFA plans to issue to that Contractor the proposed overall schedule of transitions for which that Processing Center shall be the Primary Processing Center. Assuming that at that time there will be about 70 Local Contractors and nine Common Working File Hosts, each Contractor shall

plan to manage the transitions of four or five CWF Hosts and 35 Local Contractors, of which about 15 will be carriers and about 20 will be intermediaries.

(3) Each Processing Center Contractor shall designate a Transition Support Manager. The preparation and pre transition testing task ends when the Contractor's Transition Support Manager certifies that transition and training staffs have been selected, hired and fully trained, and the actual Transition Phase has fully begun.

(i) The Processing Center's Transition Plan shall specify the authority of the Transition Support Manager, and the chain of command and delegations of authority under that Manager. The plan shall provide for continuous responsive decision making authority regardless of the availability of the Transition Support Manager.

(4) The Processing Center shall begin actual Transition with the first formal meeting of the first Local Transition Team (LTT) for the first entity (probably a CWF Host, but possibly a HCFA legacy system or Local Contractor) that is scheduled to be moved to the Processing Center. This may occur before the complete integrated transition schedule is approved by HCFA.

(5) Each Processing Center Contractor shall be responsible as the Primary Processing Center for the transition of those Local Contractors and CWF Hosts that are assigned to the Contractor after award. See Section J, Exhibit 2, Paragraph J.2.j for assumptions to use in estimating work resource over the life of the contract.

(6) Each Processing Center Contractor shall provide HCFA with periodic reports on the status of the transition of each entity to which it is assigned, as follows:

(i) Quarterly schedule revision recommendations, with analysis and Local Contractor or CWF Host comment on all proposed changes, resource impacts, and potential risk impacts.

(ii) Bi-Weekly Comprehensive Monitoring Reports, using a common WBS, of the status of all CWF Hosts and Local Contractors assigned to the Processing Center, showing the status of all major summary tasks leading to major milestones.

(iii) Weekly Exception Reports, indicating the occurrence or avoidance of any resource contention, testing, training, conversion, coordination, or other problems that may impact the schedule.

(iv) On an as needed basis, any emergency schedule change request that has impact such that it may not be deferred to the Quarterly report.

(v) On an as needed basis, Alerts covering any event that may have immediate scheduling, customer service, public relations, or other impacts.

(7) Each Processing Center Contractor shall notify HCFA timely (generally, within a calendar week, though earlier on an as needed basis) of any problem that surfaces during the transition phase, and shall include in Bi-Weekly Comprehensive Monitoring reports follow-ups through until resolution on all identified problems are resolved.

(8) Each Processing Center Contractor shall provide technical assistance to CWF Hosts and Local Contractors and other entities as assigned in the development, conversion, and delivery of data to MTS. The Contractor shall form a Local Transition Team with each Local Contractor and other entities as described in Section J, Exhibit 2, Paragraph J.2.c.

(i) The CWF processing will transfer from the current CWF hosts to one of the Processing Centers. One Processing Center will receive four CWF hosts; the other five CWF hosts. Workload and amounts of DASD will be approximately equal. After the CWF software has been installed at the Processing Centers, CWF hosts data files be transferred intact from their current locations. There is no plan to integrate co-located hosts' processing or data at the Processing Centers. Every effort will be made to keep changes to a minimum. Some changes may be necessary to naming conventions to accommodate an MTS-wide standard naming convention and to remove or apply compression to datasets as appropriate. No data conversion should be necessary.

(ii) Processing Centers will need to exchange technical information with all the Local Contractor "satellites" of the migrating host, with all the other CWF hosts (whether they remain outside the MTS, have migrated to the local MTS processing Center or to the remote Processing Center) and with HCFA's HDC so that data can be exchanged and CICS-to-CICS connectivity is maintained through data sharing and inter-region connections within a CPU, LANs or the GFE VAN. There should be little user training effort involved in this migration beyond exchange of technical specifications, points of contact, and exchanges among technicians.

(9) Each Processing Center Contractor shall review with each Local Contractor, for which it shall be primary, the system documentation to assure that the record layouts, linkages and other requirements necessary for the conversion/installation are fully understood. See Section J, Exhibit 2.g. for discussion roles in data conversion.

(10) Each Processing Center Contractor shall work with each Local contractor, for which it is primary, to maintain acceptable statutory claims processing timeliness performance requirements during transition.

(11) Although MCOs will not transfer workload to the Processing Centers, they will be users of the MTS system operational at the Processing Center. Each Processing Center Contractor may be required to assist the MCOs, for which it is designated primary, in testing, training, and use of the HCFA data that is converted to the Processing Center.

(12) Each Offeror for a Processing Center Contract shall submit with its offer a Transition Plan as major task in its PMP incorporating all of the major tasks and sub tasks necessary to accomplish the functions, activities and responsibilities described above and in Section J, Exhibit 2. This Plan shall include narrative descriptions of all major milestones, and management approaches to contingency planning, resource management and scheduling for the transition.

(i) The Offeror's Transition Plan shall propose its approach to pre-transition preparation. This approach shall include analysis of the resource demands of transition management, including participation in and chairing of LTTs, testing of conversion software, data conversion management, and cutover and production management. The approach shall show how the Contractor shall manage multiple concurrent teams and establish training of those teams over a multiple-year transition phase.

(ii) The Processing Center's Transition Plan shall provide for an active process to ensure the availability of sufficient transition support staff at all stages of transition. The plan shall provide for ongoing replenishment and recruitment activities for the staff supporting LTTs.

(iii) The Processing Center's Transition Plan approach shall specify readiness criteria for the end of pre-transition preparation and the beginning of transition. These criteria shall include at least assessment of staff readiness, resource sufficiency, and site preparation sufficiency.

(iv) The Offeror's activities under the Transition Plan shall be integrated into the WBS of the offeror's PMP. This PMP WBS is separate and distinct from the WBS for local transitions that shall be adopted jointly by both Processing Centers and incorporated into the Integrated Transition Schedule Deliverable.

C.4.c. Data Operations and Analysis Center Responsibilities:

- (1) The DOAC Contractor shall provide transition phase support for testing and training as described in Sections C.7; Hardware/Software Requirements, C.11; MTS Operating Site Installation, Acceptance and Validation Testing and C.18; MTS Operating Site Training Support.
- (2) The DOAC Contractor may be required to support data conversion activities led by the Processing Centers by providing temporary backup processing and storage.
- (3) The DOAC shall work with the Processing Center Contractors to develop procedures and schedules for the transfer of history and other data from the Processing Center to the DOAC.

## C.5. MTS OPERATING SITE PERSONNEL.

This section outlines the staffing and skill level requirements the Contractor must provide. Unless otherwise specified, all requirements under this section apply to both the Processing Center and the Data Operations and Analysis Center.

### C.5.a General:

- (1) The Contractor shall establish and provide a full time dedicated management staff and key personnel staff who are fully qualified and experienced in the management and technical area in which they will be utilized.
- (2) The Contractor shall provide on-going and continuous training of key personnel to ensure technical competency in MTS operations.
- (3) The Contractor shall ensure that every employee who has access to or control over payment files and/or check stock will be covered by a minimum of a \$5 million bond to protect against potential embezzlement or loss. Further, the Government reserves the right to pursue any losses resulting from any acts of employees of the Contractor against the Contractor.
- (4) Individuals proposed by the Contractor and accepted as key personnel for this contract are expected to remain dedicated to the contract. Substitutions will not be accepted unless specifically agreed upon and shall be made in accordance with this clause.
  - (i) During the first three hundred and sixty five (365) days of the contract performance period, no key personnel substitutions will be permitted unless such substitutions are necessitated by an individual's sudden illness, death, or termination of employment. In any of these events, the Contractor shall promptly notify the Contracting Officer and provide the information required in the below paragraph. After the initial three hundred and sixty five (365) days period, all proposed substitutions of key personnel must be submitted in writing, at least thirty (30) days in advance of the proposed substitution(s) to the Contracting Officer, with the information required in the below paragraph.



(ii) All requests for substitutions must provide a detailed explanation of the circumstances necessitating the proposed substitutions, a resume of the proposed substitution, and any other information requested by the Contracting Officer. Proposed substitution(s) shall be of equal or superior qualifications to those of the person(s) being replaced. The Contracting Officer will notify the Contractor within fifteen (15) days after receipt of all required information of the decision on substitutes.

(5) The Contractor shall provide the following Key Personnel:

(i) Operating Site Manager:

(a) The Operating Site Manager shall be responsible for the effective and efficient management and operations of the MTS at the Operating Site to include staffing, costs, daily operations, and the ability to commit the necessary resources to manage and operate the MTS.

(b) The Operating Site Manager or its HCFA approved designee shall serve as the principle liaison with HCFA and other MTS entities and shall serve on the SMPG.

(c) The Operating Site Manager shall utilize a structured project management approach with a WBS with an estimate of resource allocation and schedule.

(d) The Operating Site Manager shall maintain liaison with other Operating Site Managers, HCFA staff and Contractors.

(e) The Operating Site Manager shall work, as required, with the United States Postal Service, other MTS Print/Mail facilities, and HCFA staff and paper product contractors and suppliers to standardize paper products used in the MTS Print/Mail environment.

(f) Minimum Qualifications:

(1) The Operating Site Manager shall have a Bachelor's degree in a related field and at least ten years of professional IT experience with at least two, within the last five years, as senior manager in a large data processing facility or activity.

(ii) Data Base Administrator:

- (a) The Data Base Administrator shall be responsible for the administration of all data base management related MTS activities at the Operating Site.
- (b) The Data Base Administrator shall participate in the formulation, implementation, and documentation of policies, standards, and guidelines for MTS data base administration operating procedures.
- (c) The Data Base Administrator shall be responsible for the initial installation, maintenance, and ongoing operation of all commercial data base management systems software and ancillary utility products.
- (d) The Data Base Administrator shall be responsible for the creation, installation, and setup of all MTS production and/or training data bases at the Operating Site according to specified procedures.
- (e) The Data Base Administrator shall be responsible for the security, integrity, recoverability, and audit ability of all MTS data bases and user accesses against them at the Operating Site.
- (f) The Data Base Administrator shall provide technical expertise and guidance in the control and integrity of all MTS data bases and related file structures.
- (g) The Data Base Administrator shall participate in projecting long-range resource requirements for data base storage and data base management system software in conjunction with the Systems Integration personnel, the MTS Developer/maintainer, and HCFA.
- (h) The Data Base Administrator shall be responsible for preparing utilization and activity reports pertaining to the data base production and training environments as established through normal operating procedures as requested by HCFA.

(i) Minimum Qualifications:

(1) The Data Base Administrator shall have a Bachelor's degree and at least seven years of experience in data base administration, OR a minimum of ten years experience as a Data Base Administrator.

(2) The Data Base Administrator shall have work related experience as a data base administrator using commercial relational data base management systems in an online and batch, large-scale, high transaction volume, applications environment.

(iii) Systems and Operational Support Manager:

(a) The Systems and Operational Support Manager shall plan, conduct, and supervise operations including Help Desk activities to ensure MTS availability.

(b) The Systems and Operational Support Manager shall direct the daily operations and ensure all MTS functions and processes are implemented, employed, and operate appropriately.

(c) The Systems and Operational Support Manager shall provide knowledge and management skills in the areas of: 1) IT capacity planning statistics; 2) IT services accounting principles including cost estimation; 3) managing government contracts; 4) evaluating hardware and software products; and 5) evaluating IT operating system software and related applications software.

(d) The Systems and Operational Support Manager will assist the Operating Site Manager in all aspects of providing technical support relating to large scale data processing activities and multi-user environments.

(e) The Systems and Operational Support Manager will have knowledge and experience in client server architecture and structures.

(f) The Systems and Operational Support Manager will be responsible for ensuring the correct installation and upgrading of required MTS hardware and software located at its Operating Site and associated remote sites.

(g) The Systems and Operational Support Manager will be responsible for the testing required of MTS hardware and software in support of MTS operations.

(h) The Systems and Operational Support Manager will be responsible for monitoring, testing, and production activities to ensure MTS operations.

(i) The Systems and Operational Support Manager will be responsible for identifying and resolving technical MTS operational issues.

(j) Minimum Qualifications:

(i) The Systems and Operational Support Manager shall have a Bachelor's degree and ten years experience in data center management, OR a minimum of 15 years experience in data center management.

(ii) The Systems and Operational Support Manager shall have work related experience as a senior manager of a large data center complex providing 24 hour operations and and providing experience in facility space planning, configuration management, systems programming, telecommunications, media management, high volume printing, production controls, systems maintenance, technical support, security, integrity, and recovery responsibilities.

(6) The Contractor shall provide non-Key personnel demonstrating that they possess the necessary skill levels as described below.

(i) Knowledge of systems integration solutions involving multi-vendor communications.

(ii) Understanding and applications of the standards for systems quality control.

(iii) Analytical and writing skills.

(iv) Knowledge and skill in the use of computer program development, testing and debugging facilities, library functions, and system utilities.

(v) Skill in analyzing and solving program and system problems.

(vi) Computer programming experience in the use of standard programming languages and job control language.

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(vii) Knowledge and experience in the acquisition of telecommunications hardware and software, establishing, testing, and maintaining LAN linkages and protocols.

#### C.5.b Processing Center.

In addition to the key personnel listed in C.5.a (5) above, the Processing Center Contractor shall provide the following key personnel:

(1) Print/Mail Manager:

(i) The Print/Mail Manager shall be responsible for the management and operations of the MTS Print/Mail facility.

(ii) The Print/Mail Manager shall assure delivery timetables are met.

(iii) The Print/Mail Manager shall be responsible for monitoring and controlling all project plans and making necessary adjustments to schedules and resource utilization to meet multiple and changing delivery schedules.

(iv) The Print/Mail Manager shall develop and maintain a routine management information system that identifies for each MTS output the paper volumes, postage, throughput times and their associated costs, and the percent of each output to the total MTS Print/Mail volumes and costs.

(v) The Print/Mail Manager shall develop and maintain a routine mechanism to identify problem areas in the Print/Mail operation to account for destroyed or mutilated documents, equipment shut downs, returned mail and be able to develop solutions to address these situations.

(vi) The Print/Mail Manager shall maintain liaison with the Operating Site manager, HCFA staff and Contractors and other MTS Print/Mail sites.

(vii) The Print/Mail Manager shall work, as required, with the United States Postal Service, other MTS Print/Mail facilities, and HCFA staff and paper product contractors and suppliers to standardize paper products used in the MTS Print/Mail environment.

(viii) Minimum Qualifications:

(a) The Print/Mail Manager shall have a Bachelor's degree and at least 5 years of experience as a Print/Mail Manager or Assistant Print/Mail Manager OR a minimum of ten years experience as a Print/Mail manager or Assistant Print/Mail manager with a Large Mail Operation.

(b) Work Related Experience:

(1) The Print/Mail Manager shall have additional knowledge of: (1) the design and layout of Print/Mail outputs and their specifications; (2) the general Print/Mail market; (3) technical aspects of Print/Mail equipment and AFP software packages; (4) USPS regulations including proposed standards under Classification Reform; and (5) purchasing and inventorying of supplies and equipment germane to the Print/Mail operations.

(2) Transition Support Manager:

(i) The Transition Support Manager shall implement and maintain the Operating Site's Transition Plan, training, and managing transition support staff, assuring its staff effectively chairs Local Transition Teams, and managing the Operating Site's Integrated Transition Schedule and changes thereto. This includes managing the coordination of schedules and ongoing liaison between the Operating Site and other entities of MTS.

(ii) The Transition Support Manager shall plan and determine current and future workloads for its Operating Site resulting from each workload migration to the site.

(iii) The Transition Support Manager shall have the responsibility for transition and transition schedule problem determination, and the effective and timely communication of problems to HCFA and other affected entities.

(iv) The Transition Support Manager shall have the responsibility for ensuring the completion of all pre-cut over testing of hardware readiness, data conversion, software readiness, and telecommunications linkages and protocols with each migrating entity before cut over of operations to the Operating Site and other entities of MTS.

(v) Minimum Experience:

(a) The Transition Support Manager shall have a bachelor or higher degree in a related field and must have at a minimum five years of professional experience in operations in a large data processing facility or activity.

(b) The Transition Support Manager shall have experience within the last five years of a major system conversion, including conversion of data, and significant involvement in the planning and scheduling activities of the conversion.

(3) Training Manager:

(i) Each Processing Center shall provide a Training Manager that will manage the Processing Centers's responsibilities for end user training and coordinate with the HCFA training coordinator. The Training Manager shall have the following competencies: (1) Understanding of adult learning theories and techniques and training methodologies; (2) Training objectives preparation skills; (3) Job aid development; (4) Presentation skills; (5) Oral and written communication skills; and (6) Project management skills.

(ii) The Training Manager shall have 5 years experience in managing the computer training efforts of large numbers of end users of complex business applications.

C.5.c Data Operations and Analysis Center:

In addition to the key personnel listed in C.5.a (5) above, the DOAC Contractor shall provide the following key personnel:

(1) Systems Integration Manager:

(i) The Systems Integration Manager shall establish, staff, and manage a System Integration function for MTS in order to fulfill the requirements of this statement of work as specified in section C.20 MTS Operating Site Systems Integration.

(ii) The Systems Integration Manager shall assist HCFA in developing a charter and

establishing the System Management Planning Group (SMPG). The SMPG will be a interdisciplinary committee, which will provide a platform by which business and operational priorities, policies, methodologies, standards, and toolsets will be negotiated and selected for implementation by the responsible entities in support of MTS.

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(iii) The Systems Integration Manager shall Co-Chair the SMPG, along with a HCFA designee.

(iv) The Systems Integration Manager shall work with computer systems personnel at the Operating Sites to assist in configuring, interfacing, and otherwise integrating commercial hardware and software products to ensure the highest degree of efficiency, integrity, and consistency in implementing the operational requirements of MTS.

(v) The Systems Integration Manager shall work with Processing Center Print/Mail facility personnel to assist in configuring, interfacing, and otherwise integrating commercial hardware and software products to ensure the highest degree of efficiency and integrity in implementing the print/mail requirements of MTS.

(vi) The Systems Integration Manager shall work with DOAC personnel to assist in establishing and integrating a training systems environment in support of the MTS training requirements.

(vii) The Systems Integration Manager shall work with the MTS Test Facility to (re)certify new (or upgrades to existing) hardware or software proposed for use within MTS Operating Sites.

(viii) The Systems Integration Manager shall work with staff from the Processing Centers and HCFA on a Transition Management team to plan, coordinate, and otherwise support transition of Local Contractors and MCO workloads to MTS Operating Sites.

(ix) Minimum Qualifications:

(a) The Systems Integration Manager shall have a Bachelor's degree and at least 7 years experience, OR a minimum of ten years experience as a Systems Integrator in a large scale computer operations complex.



(b) The Systems Integration Manager must possess experience in a large-scale computer operations complex in at least two of the following disciplines: computer systems programming; operations management; operations analysis; data communications; data base administration; or, media management.

## C.6. MTS OPERATING SITE FACILITY.

The section describes the requirements for the facility necessary to house the equipment and personnel associated with the MTS Operating Site. Unless otherwise specified, all requirements under this section apply to both the Processing Center and the Data Operations and Analysis Center.

### C.6.a General:

- (1) The Operating Site(s) shall be located within the contiguous forty eight States. It is the governments intent that the sites not be located within close proximity of each other. In the event that multiple Offerors propose sites within close proximity, the government may require offerors within the competitive range to submit alternative site(s) proposal(s).
- (2) The Operating Site(s) should not be located in areas of high environmental risks. The Offeror must identify any potential environmental or natural disaster risks that may be present with the location proposed and the solutions that would be required to mitigate those risks.
- (3) The Contractor shall provide a permanent facility to adequately house and perform all functions, processes and activities necessary to support their role as an the MTS Operating Site.
- (4) The Contractor may house MTS dedicated computer hardware and personnel in facilities shared with other corporate operations provided the Contractor supplies both physical and personnel security in accordance with section C.13; MTS Operating Site Security. MTS dedicated computer hardware will not be shared with any other Contractor line of business.
- (5) The Contractor shall provide all necessary staff, hardware, furniture, meeting rooms, workstations, utilities (electric, water, telephones), fire protection, security, custodial services, supplies, and other necessities required to operate as a fully functioning operating site.
- (6) The Contractor at a later date may need to move or expand its operations. Prior to any move or expansion, the Contractor shall submit, for HCFA's approval, a justification for its move (180 days prior to) or expansion (90 days prior to) including a cost benefit analysis.

The Contractor shall ensure that there is no degradation of services or activities during the term of the contract including any move or expansion process.

(7) The Contractor shall be required to acquire, install, manage and maintain equipment at locations outside its primary processing site. See Section C.7; MTS Operating Site Hardware/Software Requirements.

(8) The Contractor shall allow HCFA personnel and government personnel and/or HCFA designee(s) access to the facility and all records, files and documentation used in the performance of this contract.

(9) The Contractor shall provide a private office with a desk, telephone, and Personal Computer (486 minimum) for use by HCFA. HCFA reserves the right at any time to place a HCFA employee on site at the Contractor's location to review implementation, operations, and controls.

(10) Since HCFA and HCFA designated visitors may visit the Contractor on a periodic basis, to observe and/or analyze operations, the Contractor shall provide sufficient conference room space, when necessary, to accommodate comfortably a minimum of 10 persons.

#### C.6.b Processing Center:

(1) The Contractor shall also provide facilities for the purpose of meeting all requirements for Print/Mail, User Training and Help Desk functions.

(2) The Contractor shall be required to implement sufficient security over check stock to include the following. Blank check stock must be protected in a secured room that provides a high standard of security against theft and can prevent damage to checks from moisture, light, and heat. The secured room must be built to Government specifications as shown in Section J, Exhibit 13, Check Stock Storage Requirements.

(3) The Contractor shall provide controlled entry to and exit to the check storage room through an automated access control system. In addition, the secured room must be protected with intrusion detection devices that are connected to a manned 24-hour monitoring station utilizing secured lines. The monitoring station must be supported by an appropriate, timely response capability.

C.6.c Data Operations and Analysis Center:

(1) The Contractor shall also provide facilities for the purpose of meeting all requirements for IT support of User Training, Finance Server, Help Desk functions, and Systems Integration.

## C.7. MTS OPERATING SITE HARDWARE/SOFTWARE REQUIREMENTS.

This section describes the minimum vendor supplied IT hardware and commercial off-the-shelf (COTS) software that must be provided to support MTS functions at an Operating Site. Other equipment required to establish and maintain a data center complex, which is not integral to the design and operation of the MTS, is the responsibility of the Contractor and, therefore not specified. Unless otherwise specified, all requirements in this section apply to both the Processing Center and the Data Operations and Analysis Center.

### C.7.a General:

- (1) The Contractor shall procure, install, test, and otherwise configure the IT hardware and software capabilities identified in this section (and its referenced attachments), in sufficient quantities, so as to become a fully functioning MTS Operating Site.
- (2) Hardware requirements may include (but are not limited to) mainframe processors, enterprise and departmental servers, operations consoles, systems monitors, personal computers and workstations, data storage/retrieval devices, printers, tele-processing devices and telecommunications control and monitoring devices. See Section J, exhibit 1, MTS Hardware/Software Catalog for a detailed list of the minimum hardware requirements to support MTS.
- (3) With exception of those items listed in paragraph C.7.a.7(i), hardware provided by the Contractor shall be either:
  - (a) newly purchased equipment from a supplier or manufacturer;
  - (b) existing equipment in the contractors inventory -- meeting the specifications of Section J, Exhibit 1; Hardware/Software Catalog or,
  - (c) re-manufactured equipment warranted equivalent to new. "Warranted equivalent to new" is defined as components whose smallest elements although previously used would not impair the components usefulness, longevity, or other intended applicability.
- (4) The Contractor shall provide proof of ownership, warrantee and service for all computer processing hardware proposed for use at an MTS Operating Site. HCFA may request such proof during site inspection and acceptance. See Section C.11; MTS Operating Site Installation, Acceptance and Validation Testing.

(5) The Contractor shall provide the specified COTS software which includes (but is not limited to) the operating system(s), its associated subsystems, features, and capabilities as specified in Section J, Exhibit 1, MTS Hardware/Software Catalog. The offeror shall have full licensed authorization and maintenance agreements to operate and maintain the software in a manner consistent with MTS requirements as specified under this statement of work.

(6) Other COTS software products necessary to administer a data center complex, and not integral to the design of MTS, is the responsibility of the Contractor and may not appear on the MTS Hardware/Software Catalog. The Contractor shall propose the use of any additional COTS hardware and software products deemed necessary to establish, operate, administer, manage, and/or otherwise enhance the efficiency of an MTS Operating Site. The offeror is advised that award of an MTS Operating Site contract does not mean HCFA acceptance and approval of all proposed hardware and software equipment.

(7) MTS Hardware and Software Catalog:

(i) The list of hardware/software components specified in Section J, Exhibit 1, MTS Hardware/Software Catalog, has been verified by the MTS Developer/maintainer as to meeting the functional requirements of the MTS. The Contractor shall not substitute replacement equipment or alter the systems design configuration without prior written approval of HCFA or its designee, exceptions in the following cases:

- 1) Print/mail hardware and software requirements (See Section C.19; MTS Operating Site Print/Mail Requirements);
- 2) Reel-to-reel Hardware (See Section C.7.b below); and,
- 3) Diagnostic procedures and tools (See Section C.7.a.15 below).

(ii) The Contractor shall not install and use any hardware or software without the express permission of HCFA. HCFA intends to use the SMPG as the mechanism for approval of new IT hardware and software products proposed for use at MTS Operating Sites.

(iii) HCFA reserves the right to deny use of hardware and software proposed for use to support MTS. The Government will not be liable for losses incurred by the Contractor due to failure to gain prior approval of the acquisition of hardware and software to support MTS.

(8) Acquisition of Hardware/Software from the Catalog:

(i) The Contractor may use pre-established purchasing agreements negotiated between the MTS Developer/maintainer and the supplier for acquiring the equipment needed to operate MTS as specified in Section J, Exhibit 1, MTS Hardware/Software Catalog. Details of all purchasing agreements have not been finalized as of the date of this RFP, but will be made available to potential offerors as they are completed.

(ii) The Contractor may, at its discretion, use alternative purchasing avenues to acquire the necessary equipment to establish an MTS Operating Site. If alternative purchasing avenues are utilized, the Contractor shall purchase equipment identical to that listed in Section J, Exhibit 1, MTS Hardware/Software Catalog. It is presumed that such an approach, if used, will result in more favorable costs, terms or conditions to benefit the Government as well as the Contractor.

(9) Adding Items to the Catalog:

(i) It is HCFA's intent to sustain the MTS Hardware/Software Catalog through periodic refreshment activities to allow upgrades to established equipment and software, as well as the introduction of new technology. These activities will be the responsibility of the MTS Test Facility Contractor and operate out of the MTS Test Facility.

(ii) Contractors wishing to propose additional or replacement hardware or software product(s) not currently listed in the catalog shall notify the SMPG in advance of any hardware or software acquisition, to obtain prior approval of the acquisition to support MTS. HCFA may require the new product to undergo certification testing at the MTS Test Facility. Upon approval via the SMPG, the proposed item will be added to the MTS Hardware/Software Catalog.

(10) Hardware/Software Equipment Obligation:

(i) All hardware and software provided by the Contractor at an MTS Operating Site shall be 100% dedicated to MTS functions only. The hardware and software provided by the Contractor shall support only MTS business, under this statement of work, and shall not be used in support of non-MTS lines of business.

(11) Hardware/Software Maintenance:

(i) The Contractor shall maintain hardware and software products current with manufacturer updates, releases, and/or maintenance, as needed. The Contractor shall notify the SMPG for approval prior to implementation of any updates, releases, and/or maintenance, except in emergency situations which may result from bugs or flaws in the manufacturers product.

(ii) In emergency situations which impact the MTS operational environment as a result of failure(s) in the manufacturers product, the Contractor shall follow diagnostic and recovery procedures to be prescribed by the SMPG for handling such situations.

(12) Hardware/Software Capacity Planning:

(i) The Contractor shall establish and maintain a hardware/software capacity planning function to identify the need to acquire additional hardware and/or software capacity, or the existence of excess capacity, to support MTS operations.

(ii) The Contractor's capacity planning function shall incorporate use of the MTS Hardware/Software Catalog for equipment acquisitions and serve as a primary mechanism for affecting changes which impact contents of the MTS Hardware/Software Catalog.

(iii) The Contractor's capacity planning function shall consider the requirements of Section C.4. MTS Transition Plan in devising its hardware/software acquisition strategy such that sufficient processing capability is delivered to support MTS business functions and the equipment is not underutilized during periods of performance.

(iv) The Contractor shall produce monthly as well as annual hardware/software capacity summary reports in support of its planning function. The reports shall contain detailed information pertaining to CPU, DASD, I/O, including at minimum, the following:

- (1) overall workload by class and by device type,
- (2) busy and idle percentages by device,
- (3) processor(s) memory utilization,
- (4) I/O queuing and throughput by device and channel,



(5) percent of DASD utilization by device,

(6) average and max concurrent online users, and

(7) average and max batch transactions.

(v) The Contractor's capacity report shall be in electronic format and accessible online by HCFA and/or its designee, and the SMPG.

(vi) The Contractor shall notify HCFA or its designee, and the SMPG not less than 60 days prior to any acquisitions or product de-installations in support of MTS capacity and provide written justification(s), including any alternatives considered and actual or estimated costs involved. HCFA reserves the right to deny approval of such acquisitions (see Section C.7.a.7(v) above).

(vii) HCFA may also direct the Contractor to upgrade or acquire new or additional hardware or software in support of MTS, or to provide the necessary resources to complete special project requests during the life of the contract. If required, such upgrade(s) or additions will be handled as a Change Order (See Section I.16, Changes-Cost Reimbursement).

(viii) Subject to HCFA approval, the Contractor shall effect the implementation of any upgrade or addition of new hardware/software products so as to ensure that ongoing operations are not adversely affected.

(13) Hardware/Software Documentation:

(i) The Contractor shall maintain and update full hardware/software documentation in support of the MTS operation. Access to the documentation must be made available to HCFA, the MTS Developer/maintainer and other HCFA designees.

(ii) The Contractor shall provide proof of ownership, license, warrantee and maintenance for all COTS software proposed for use at an MTS Operating Site. HCFA may request such proof during site inspection and acceptance. See Section C.11, MTS Operating Site Installation, Acceptance and Validation Testing.

(iii) The Contractor shall identify by make, model, part number, capacity, volume and/or other relevant data, the hardware being proposed for an MTS Operating Site in a format similar to that depicted in Section J, Exhibit 1, MTS Hardware/Software Catalog.

(iv) The Contractor shall identify by name, release and/or version number the software being proposed for an MTS Operating Site in a format similar to that depicted in Section J, Exhibit 1, MTS Hardware/Software Catalog.

(14) Change Management Software:

(i) It is HCFA's intent to establish an electronic MTS Change Control System (CCS) that will be used to track and control all changes to the MTS software, hardware, and documentation. The CCS will be an on-line system serving most MTS entities. The MTS entities will have direct access and have the ability to submit MTS Change Requests (CR's).

(ii) The CCS will have the ability for most MTS entities to research upcoming changes to MTS using user-friendly browse, print, query, and report generation functions. The MTS entities will be provided with screens for entering CR data and will be prompted to enter certain required data. A list of required data and applicable screens will be provided upon contract award.

(iii) The Contractor shall use the CCS whenever a change to any hardware/software is being requested or proposed. The Contractor will enter its own CR's, using the required data, directly into the automated on-line CCS. The Contractor will provide all required information and documentation to support the submission of the CR's.

(iv) The Contractor shall update, as needed, all CR's entered by them with sufficient information and documentation to support the CR analysis phase.

(15) Diagnostic Procedures and Tools:

(i) The Contractor shall provide research, debugging, and diagnostic tools to identify, research, devise and implement corrective measures for any possible or confirmed processing problem not associated with the internal programming of the MTS application software.

(ii) These research , debugging and diagnostic tools will allow the Contractor to support HCFA and MTS Developer/maintainer needs to optimize performance. The Contractor shall recommend any additional diagnostic tool(s) it has identified as being necessary or required that is not shown on the MTS Catalog. HCFA may accept any such recommendation and request the tool be added to the MTS Hardware/Software Catalog.

(iii) The Contractor shall make use of performance gathered data to: 1) monitor; 2) optimize the total system environment; 3) support capacity planning; and 4) provide system wide performance improvement activities.

(16) Library Control:

(i) The Contractor shall develop and utilize a library control process and associated procedures consistent with industry standards and allowing for complete back-up controls.

(ii) The Contractor shall utilize library control/file control software that removes any risk of utilizing incorrect program code or data.

(iii) The Contractor shall provide their proposed library control process and procedures as part of their proposal.

(17) Use of HCFA Instead of Corporate Standards:

(i) The Contractor shall comply with HCFA standards (e.g., naming conventions, compliance with systems documentation). When corporate standards are in conflict with HCFA standards, HCFA standards shall prevail.

(18) Specialty Servers:

(i) Specialty Servers provide support for various programmatic and system functions best accomplished in an isolated or segregated manner. Some of these functions include finance processing, file transfer, report generation and document imaging. As an example, paper will be imaged prior to receipt at the DOAC. The Document Imaging Specialty Servers function is to receive, control, store and disburse the document images as requested or necessary; activities best suited to a specialty server. Another example is the MTS Communications Specialty Servers provided by the

Processing Center. They function as the “MTS Gateway”, the entry/exit point for most MTS input/output.

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(ii) The largest number of Specialty Servers will be the MTS Communications Servers. The Communications Servers interface with the GFE VAN and receive, edit, perform security checks, store and forward data to/from the MTS OS's. It is anticipated that these “gateways”, in addition to some of the other Specialty Servers, will be strategically located to be in proximity to areas of high volume use. Others will be located at the OS's proposed primary processing site.

(iii) Using the MTS Hardware/Software Catalog (see Section J, Exhibit 1) the Contractor shall supply the number of Specialty Servers indicated in support of the MTS. The Contractor shall locate the Specialty Servers as indicated in the following paragraphs.

(a) HCFA anticipates that all Specialty Servers provided by the OS's, except for some communications servers, (see (d), below) will be located at the OS's primary processing site. However, unless otherwise specified, actual location of the Specialty Servers is left to the discretion of the Contractor.

(b) Synchronous communication servers (Specialty Servers) provided by the Processing Center Contractor shall be located at the Processing Center's primary processing site.

(c) Five of the asynchronous communication servers (Specialty Servers) provided by the Processing Center Contractor shall be located at the Processing Center's primary processing site.

(d) The Processing Center Contractor shall distribute the remaining number of required asynchronous communication servers (Specialty Servers) at nine distributed locations to be identified by the Offeror in their proposal. HCFA has no expectations as to the physical distribution of these nine locations. No more than five asynchronous communication servers (Specialty Servers) shall be located at any one distributed location proposed. All physical site (for example, acquisition), hardware/software (for example, maintenance), manpower, security and other applicable requirements stated in this Statement of Work shall apply to all nine distributed locations proposed. HCFA reserves the right to delete or modify the requirements contained in this paragraph upon adequate notice being given to the

Offeror/Contractor.

(19) Workstations (MTS Desktops):

(i) The Contractor must supply the necessary number of workstations to support MTS operations at its site.

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(ii) The Contractor shall identify by make, model, and quantity all workstations that it is proposing.

C.7.b Processing Center:

(1) Magnetic Media Capability:

(i) The Contractor shall supply a quantity of round reel tape drives to provide MTS the capability of entering and writing to round reel tape media. Tape media shall be supported from various MTS entities. To satisfy this requirement the tape drives shall have the capability to read and write tapes in, at least, the following format:

Round reel (1/2", 2,400 ft, 9-track)  
1600/6250 bits per inch

(ii) The Contractor shall identify by make, model, and capacity, all round reel equipment proposed.

(iii) Receipt of Magnetic Media:

(a) The Contractor will receive a minimum of 5,000 magnetic media (tape/cartridge) annually from various entities for ongoing transaction processing or conversions during transition. These situations may include:

- (1) Updated enrollment data from HCFA or other MTS entities
- (2) Updated data for various MTS files from HCFA or other MTS entities
- (3) Transaction data keyed by other MTS entities
- (4) Program administrative data from HCFA.

(b) The Contractor shall receive, control and stage the magnetic media for transaction processing by MTS based on instructions provided by the MTS

Developer/maintainer. Disposition of the magnetic media after processing will usually entail returning the tape or cartridge to the sender. The Contractor shall make a backup copy of any incoming magnetic media upon receipt and may not return the original until the data is confirmed as accepted by MTS. Backup copies shall be retained for five days after acceptance by MTS, then erased. Backup copies may be on other than magnetic media.

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(c) The Contractor shall process incoming transaction processing tapes or cartridges within 8 hours unless instructions specify otherwise.

(iv) Outgoing Magnetic Media:

(a) The Contractor shall provide MTS the capability to save data to various magnetic media for mailing to other MTS entities based on the receiver's capability.

(b) Distribution and mailing of outgoing tape(s) or cartridge(s) shall be completed within 24 hours after the file has been created. The Contractor shall employ normal industry practices in recording, controlling and shipping outgoing magnetic media.

(c) The Contractor is responsible for all labor and costs associated with shipments of outgoing magnetic media, including provision of the media, packaging and shipping.

(v) Magnetic Media Storage:

(a) The Contractor shall store and retrieve magnetic media as necessary to support the requirements stated in the above subsections. Refer to Section J, Exhibit 6; Selected SDA Sections, for present and future volumetric projections to be used for capacity planning.

(2) Automated Mail Handling System:

(i) The Contractor shall provide all equipment required to support the Print/Mail and Automated Mail Handling System (AMHS) functions of MTS. See Section J, Exhibit 6: Selected SDA Sections, for a list of the various types of printed output and anticipated volumes.

(a) The Contractor shall provide, service, maintain and staff the number and types of print/mail equipment as specified in Section C.19; MTS Operating Site Print/Mail Requirements and Section J, Exhibit 19; Print/Mail.

(b) All proposed equipment shall be new components or warranted equivalent to new components.

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#### (3) DASD:

(i) Note: To support significant fluctuations in DASD requirements during the transition, the Contractor's capacity planning function should begin immediately to plan for an additional 5 terabytes of DASD to be available immediately above that required in Section J, Exhibit 6b; Processing Entity Distribution and Sizing.

#### C.7.c Data Operations and Analysis Center:

(1) The Contractor shall provide a Finance Server to support PE24 from the information provided in the MTS Hardware/Software Catalog. Although the Finance Server is not scheduled to be implemented until the summer of 1998, the Contractor shall procure the resources necessary to support the Finance Server to provide the hardware and system support for user training (See Section C.18.c and Section J, Exhibit 3; Training Support Workload).

(2) The Contractor shall include the hardware and system support for user training in its capacity planning considerations. Once the Finance Server function is implemented, the training support function shall be isolated from the Finance Server function so as to maintain the more stringent security requirements of the Finance Server.

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## C.8. MTS OPERATING SITE INTERACTIONS.

This section provides a basic description of the types of interactions the Contractor will be expected to have with various entities in the performance of its duties. NOTE: This list of interactions shall not be considered all inclusive. Unless otherwise specified, all requirements under this section apply to both the Processing Center and the Data Operations and Analysis Center.

### C.8.a General:

(1) The Contractor shall demonstrate, in its proposal, its understanding of and methodology for providing interaction with all MTS entities.

(2) Interactions With HCFA.

(i) HCFA will:

(a) Provide overall guidance and direction to the Contractor and to establish an SMPG.

(b) Provide telecommunications services through its GFE VAN to provide the ability to communicate with HCFA and other MTS entities.

(c) Provide a copy of the bulk data transfer software or another similar product. The HCFA supplied copy will be used for the transmission of bulk data to all MTS entities and will only be used in support of Medicare applications.

(d) Provide all necessary training materials to support the train-the-trainer concept.

(ii) The Contractor shall:

(a) Provide periodic reports as outlined in its approved PMP, refer to Section C.3; MTS Operating Site Project Management Plan.

(b) Work with HCFA staff to resolve problematic situations.

(c) Participate as member of the System Management Planning Group (SMPG).

(d) Meet with the HCFA Contracting Officer and Project Officer within 30 days of contract award.

(3) Interactions with the MTS Developer/Maintainer.

(i) The MTS Developer/maintainer will:

(a) Provide copies of the initial and subsequent versions of the MTS application software (includes interfaces) and all related documentation.

(b) Respond to identified problems, assist in resolution and provide interim and final software corrections.

(c) Provide training on the initial release of the MTS and all subsequent releases. This training will be geared for both the Operating Site(s) Contractors' operational staff and for the staff that will train the Local Contractors.

(d) Assist operating sites in hardware problematic issues and resolution.

(ii) The Contractor shall:

(a) Install all MTS software and interfaces at the Operating Site based upon the MTS Developer/maintainer specifications.

(b) Work with the MTS Developer/maintainer to resolve any problems, refer to Section C.11; MTS Operating Site Installation, Application and Validation Testing.

(c) Install and test required teleprocessing linkages, hardware, software, and protocols between the MTS Developer/maintainer and the Operating Site.

(d) Provide the MTS Developer/maintainer a copy of the Operating Site configuration based upon the Contractor's selection of hardware and software from the MTS Hardware/Software Catalog.

(e) Allow the MTS Developer/maintainer access to operational personnel when necessary to resolve problems.

(f) Attend all MTS training in order to be prepared to deliver the necessary training. See Section C.18; MTS Operating Training Support.

(g) Support on-line access to MTS software and data files for HCFA and the MTS Developer/maintainer, as required. The Contractor shall support this access using the HCFA GFE VAN.

(4) Interactions with Other Operating Sites.

(i) The Contractor shall:

(a) Communicate with other Operating Site(s) for the purpose of routing claims to the correct Operating Site in case of known outages.

(b) Keep each Operating Site informed of expected downtime, personnel responsibilities or contact person, schedules, maintenance activities, and other activities deemed necessary to remain operational.

(c) Communicate with other Operating Site(s) for the purpose of coordinating systems integration activities and to ensure cohesive user training support.

(5) Interactions with the HCFA GFE VAN.

(i) The HCFA GFE VAN Contractor will:

(a) Work with the Operating Site Contractor to develop an MTS data communications implementation plan.

(b) Work with the Operating Site(s) Contractor to install and test all necessary telecommunications linkages and protocols.

(c) Train Operating Site(s) personnel on MTS network operations.

(d) Develop a positive working relationship that does not impede the work flow as stipulated by this contract.

(e) Establish network Help Desk processes and procedures.

(ii) The Contractor shall:

- (a) Work with the HCFA GFE VAN to install the necessary telecommunications, linkages and protocols.
- (b) Assist the HCFA GFE VAN with testing all telecommunications elements including the telecommunications equipment and communications circuits, linkages, and protocols.
- (c) Allow the HCFA GFE VAN access to operational personnel, when necessary, to resolve problems.

(6) Interactions with the MTS Test Facility.

(i) The MTS Test Facility contractor will:

- (a) Provide a test bed for all the components of MTS, be they hardware or software, in a fully integrated environment simulating the MTS Operating Sites.
- (b) Test and certify commercial hardware and software products proposed for use by the MTS Operating Sites for their compatibility, functionality, and ability to handle the workloads of MTS.
- (c) Coordinate with Operating Site Contractor(s) the installation, testing, conversion, implementation, and ongoing maintenance of the MTS applications software environment.
- (d) Establish procedures for the coordination of scheduled and emergency releases of MTS applications software and related products to the Operating Site(s) as specified by the MTS Developer/maintainer and approved by HCFA.
- (e) Provide a technical support Help Desk function to assist the MTS Operating Site(s) in problem determination and resolution.
- (f) Serve as the liaison between the MTS Developer/maintainer and the Operating Site Contractors.

(ii) The Contractor shall:

- (a) Work with the MTS Test Facility contractor in the installation, testing, conversion, implementation, and ongoing maintenance of the MTS applications software environment.
- (b) Receive and install scheduled and emergency releases of MTS applications software and related products from the MTS Test Facility contractor in accordance with prescribed procedures.
- (c) Submit proposals to the MTS Test Facility contractor for commercial hardware and software products with potential for use within MTS Operating Sites.
- (d) Report immediately to the MTS Test Facility contractor Help Desk any performance problems which cause service degradations, disruptions, or compromise the overall integrity of the MTS Operating Site(s) production environments.

C.8.b Processing Center:

(1) Interactions with Local Contractors/MCO's.

(i) The Local Contractors/MCO's will:

- (a) Provide assistance, as required, in testing the MTS, telecommunications linkages and interfaces including hardware and software.
- (b) Transmit and receive test and live data.
- (c) Report processing problems to the MTS Processing Center Help Desk and assist in problem resolution.
- (d) Request operational changes to the MTS.
- (e) Assist in testing new releases of MTS or any other hardware/software changes at the Operating Site.

(f) Modify its training plans and materials to accommodate continuing changes in MTS for the purpose of training its staff.

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(ii) The Contractor shall:

(a) Meet with each Local Contractor/MCO for whom it has been assigned primary responsibility within 30 days of receipt of HCFA's approval of their transition plan.

(b) Develop a working relationship with each Local Contractor/MCO to implement the MTS in accordance with the MTS Transition Plan. Assist each Local Contractor in completing the MTS Transition Plan. See Section J, Exhibit 2; MTS Operating Site Transition Plan.

(c) Keep each Local Contractor/MCO in its operating locality/region informed of implementation progress.

(d) Obtain from each Local Contractor its current and projected work load estimates and notify HCFA immediately if these estimates differ significantly from the data HCFA provided.

(e) Provide technical guidance to assist Local Contractors in modifying, if necessary, their systems environment and schedules, to maintain acceptable performance requirements during transition.

(f) Keep each Local Contractor/MCO informed of operational issues.

(g) Coordinate the delivery and installation of new releases of the MTS and telecommunications software as provided by the HCFA vendors.

(h) Request assistance, as needed, in testing the MTS, interfaces, and telecommunications linkages.

(i) Provide ongoing monitoring of the teleprocessing network linkages to the Local Contractors including participation in the maintenance and problem resolution of all HCFA GFE VAN and Local Contractor teleprocessing circuits.

(j) Provide information concerning MTS software maintenance activities that are in progress including schedules and priority determination.

(k) Install and test initial and new releases of teleprocessing linkages, hardware, software, and protocols between the Local Contractors/MCO's and the Operating Site(s).

(l) Provide Local Contractors/MCO's with MTS training, refer to Section C.18; MTS Operating Site Training Support.

(m) Maintain a Help Desk as described in Section C.9; MTS Operating Site Technical Support.

(2) Interactions with the Common Working File (CWF) Hosts.

(i) The Common Working File Host will assist the Operating Site Contractors during the transition period to ensure that Medicare transactions are correctly processed and the necessary coordination is completed.

(3) The Contractor shall develop interactions with other MTS entities, such as the Social Security Administration, Peer Review Organizations, the Railroad Retirement Board, State Agencies, Electronic Data Interchange clearing houses, Medicare providers, MTS related subcontractors, and other third party payers.

(i) The above entities will:

(a) Provide assistance, as requested, in testing the MTS, telecommunications linkages, and other interfaces including hardware and software.

(b) Transmit and receive test and live data.

(c) Report processing problems to the MTS Processing Center Help Desk and assist in problem resolution

(d) Create, as required, files to be transmitted or mailed to the Operating Site in accordance with HCFA approved standard file structures.

(ii) The Contractor shall:

(a) Establish linkages with these entities and other entities that have a need to interface with MTS.

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(b) Provide information regarding MTS software maintenance activities that are in progress including schedules and priority determination.

(c) Create, as required, files to be transmitted or mailed to the third party payers in accordance with the standard file structures and procedures approved by HCFA.

C.8.c Data Operations and Analysis Center:

(1) The DOAC shall interact electronically with financial institutions as needed to support MTS financial requirements.



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## C.9. MTS OPERATING SITE TECHNICAL SUPPORT.

This section provides a description of the responsibilities the Contractor has in providing technical support. Unless otherwise specified, all requirements under this section apply to both the Processing Center and the Data Operations and Analysis Center.

### C.9.a General:

- (1) The Contractor shall provide and maintain a 24 hour, seven day technical support capability.
- (2) The Contractor shall provide all services to meet the needs of its customers as identified in section C.8; MTS Operating Site Interactions.
- (3) The Contractor shall provide its customers with guidance and technical assistance in establishing and maintaining interoperability.
- (4) The Contractor shall provide guidance, assistance and/or consultation to its customers in the resolution of hardware failures, software errors, and initial telecommunication software and/or network problems.
- (5) The Contractor shall provide a Help Desk facility offering problem resolution services which address and ultimately resolve user-identified problems as well as responses to user inquiries concerning MTS status.
  - (i) The Help Desk shall be available 24 hours a day, seven days a week.
  - (ii) Help Desk staff shall be required to respond to all calls within one hour.
  - (iii) Help Desk staff shall resolve or coordinate resolution of 90% of issues within 6 hours.
  - (iv) The Contractor shall implement an automated system to control and track Help Desk reported problems. The Contractor shall provide a monthly report of Help Desk activity in an electronic format and accessible online by HCFA and/or its designee..
- (6) Medicare business functions and its associated IT environment are being significantly re-engineered under MTS. Accordingly, very little historical data exists, which is relevant to the technical support Help Desk function expected to be performed by the Contractor.

For proposal purposes, the Contractor shall provide sufficient staff and operating infrastructure to establish and maintain technical Help Desk support for half of 70 Medicare local contractor organizations and half of 500 MCOs.

(i) Each Medicare local contractor organization may generate up to ten telephone calls per day, with an average time of 3 minutes to log the details of each reported problem.

(ii) Each MCO may generate one telephone call per day, with an average time of 3 minutes to log the details of each reported problem.

(7) HCFA does not expect that all problems will be resolved during initial reporting of the incident. Rather, the technical support Help Desk will log the reported incident, capturing sufficient details of the problem and contact information to forward the problem to the appropriate responsible entity.

#### C.9.b Processing Center:

There are no additional requirements that are solely applicable to the Processing Center. The Contractor shall meet the General Requirements set forth in Section C.13.a; MTS Operating Site Security.

#### C.9.c Data Operations and Analysis Center:

There are no additional requirements that are solely applicable to the Data Operations and Analysis Center. The Contractor shall meet the General Requirements set forth in C.13.a; MTS Operating Site Security.



## C.10. MTS OPERATING SITE APPLICATION SOFTWARE RELEASE.

This section describes the requirements for management and control of changes to MTS application software. Unless otherwise specified, this section applies to both the Processing Centers and Data Operations and Analysis Center.

### C.10.a General:

- (1) The Contractor shall provide a set of software release control libraries to accept new versions of MTS application software and documentation, which will be transmitted directly to the Operating Site(s) from the MTS Test Facility.
- (2) The Contractor shall install MTS applications software in accordance with procedures and the schedule as specified by HCFA or its designee for promoting software changes to production status.
- (3) The Contractor shall support and adhere to both standard and emergency software change control release procedures. Emergency releases may require immediate installation into production status, as specified in the release procedures.
- (4) The Contractor shall maintain a copy of its operating system configuration, operations procedures manual, and release documentation, as well as maintain a library of the current and up to ten prior releases of the applications software and at least one prior version of systems software.
- (5) The MTS Developer/maintainer will provide the MTS application software to be used by the Operating Site Contractor. The Contractor shall run the MTS application software developed by the MTS Developer/maintainer. All installation and operational instructions will be provided by the MTS Developer/maintainer. The Contractor will not have the authority to add, delete, change, or otherwise modify the MTS application software except as authorized by HCFA and/or the MTS Developer/maintainer. NOTE: Such unauthorized alteration of the MTS application software can be cause for termination of the contract.

C.10.b Processing Center:

(1) The Contractor shall work with the Systems Integration personnel from the Data Operations and Analysis Center to implement policies, standards, procedures, and techniques for the efficient and effective management of applications software change control within MTS Operating Sites in accordance with the general requirements of this section.

C.10.c Data Operations and Analysis Center:

(1) The Contractor shall provide a Systems Integration function to establish and coordinate the implementation of policies, standards, procedures, and techniques for the efficient and effective management of applications software change control within and among MTS Operating Sites in accordance with the general requirements in C.20; MTS Operating Site Systems Integration.

## C.11. MTS OPERATING SITE INSTALLATION, ACCEPTANCE AND VALIDATION TESTING.

This section describes the testing required at the initial implementation of the Operating Site and for any upgrades to the Operating Site hardware and/or software. Unless otherwise specified, all requirements under this section apply to both the Processing Center and Data Operations and Analysis Center.

### C.11.a General:

- (1) The MTS Developer/maintainer and/or HCFA or its designee shall perform an initial Acceptance test at the Operating Site once the initial hardware and software configuration has been installed and is considered ready to receive the MTS software. The Acceptance Test shall ensure the Operating Site's hardware and software configuration is correct and adequate for receipt of the MTS Software.
- (2) The MTS Developer/maintainer and/or HCFA or its designee shall perform a validation test at the Operating Site for the initial installation, and for subsequent baseline releases of software to ensure operability and performance of the MTS. Periodic validation tests may, at HCFA's discretion, be required on an ad hoc basis but no more frequently than yearly.
- (3) The Acceptance and Validation tests will be used to verify compliance with this contract and ensure full functionality of MTS. The Contractor shall make their staff and facilities available to assist in performance of these tests.
- (4) The Contractor shall be responsible for performing any testing necessary to ensure the correct installation, readiness and operability (interoperability) of the hardware.
- (5) The Contractor shall be responsible for all testing necessary to ensure all external interfaces are functioning properly, particularly the interface to the HCFA GFE VAN. These tests shall ensure that the interface(s) are properly connected (interconnected), function with the outside system(s) or network(s), and pass data without error.
- (6) The Contractor shall be responsible for all testing necessary to ensure the correct installation of any and all software it provides.

(7) The Contractor shall include, as part of its PMP, a discussion of the testing it will perform to ensure its hardware and software is ready for Acceptance and Validation Testing in accordance with C.11.a.(i).

C.11.b Processing Center:

There are no additional requirements that are solely applicable to the Processing Center. The Contractor must meet the general requirements set forth in C.11.a.

C.11.c Data Operations and Analysis Center:

There are no additional requirements that are solely applicable to the DOAC. The Contractor must meet the general requirements set forth in C.11.a.



## C.12. MTS OPERATING SITE BUSINESS RESUMPTION PLANNING.

This section describes the contingency planning requirements of MTS for outages and disaster recovery. Unless otherwise specified, all requirements under this section apply to both the Processing Centers and the Data Operations and Analysis Center.

### C.12.a General:

(1) The Contractor shall provide a Business Resumption Plan (BRP) for continuing availability of key MTS components in the event of an outage at a remote communication site or an Operating Site due to a disaster. Disruptions can include (but are not limited to) natural disasters, component failure, network or power failure. See Section J, Exhibit 4 (MTS Business Resumption Planning Considerations) for a discussion of the timing required to restore full systems functionality and data bases, processing capacity, and other relevant MTS design considerations.

(2) The Contractor shall be responsible for declaring that a disaster has occurred at an Operating Site within 6 hours from the outage incident.

(3) The Contractors BRP shall be subject to HCFA approval before implementation, testing, and execution. Because MTS is a single logical computing enterprise, it is HCFA's intent that a comprehensive BRP be established for the entire MTS operating environment, and NOT have each MTS Operating Site independently pursue separate, disparate approaches to disaster recovery.

(4) The Contractor shall invoke disaster recovery procedures in accordance with its HCFA approved BRP only after a disaster is declared.

(5) The Contractor shall provide in its BRP for sufficient processing and storage capacity to recover and sustain the following critical Medicare business functions, in the priority indicated below:

(i) Beneficiary insurance information inquiry and update functions must be fully recoverable within 24 hours of a disaster declaration.

(ii) Financial processing functions, including printing and mailing of checks, must be fully recoverable within 24 hours of a disaster declaration.

- (iii) Fee-For-Service claims processing functions, including printing and mailing, must be fully recoverable within 72 hours of a disaster declaration.
- (6) The Contractor shall provide off-site storage facilities for MTS software programs, data and data base files and documentation in the event of a partial or complete destruction of the Operating Site location.
- (7) The Contractor shall conduct disaster recovery tests twice a year. One test should last up to 72 hours and demonstrate the recovery of critical MTS data and data bases, as well as execution of critical business functions and some portion of non-critical functions, according to the requirements of this section.
- (8) The Contractor shall propose dates to execute disaster recovery tests for HCFA approval at least 60 calendar days prior to the actual test date, and forward the test results to HCFA no later than 45 days upon completion of the tests.
- (9) The Contractor shall provide a copy, or relevant extract, of its BRP to HCFA and other designated entities with which the MTS Operating Site has an association. See Section C.8; MTS Operating Site Interactions.
- (10) The Contractor shall provide notification to HCFA, other operating sites, and the MTS Test facility Help Desk by phone or via E-Mail, of all major downtime occurrences not later than two hours after the beginning of the occurrence(s).
- (11) A major downtime occurrence is one in which operations between the Operating Site and one or more of its MTS entities is affected for a period of one or more hours.
- (i) A notification will be provided to the Project Officer during normal HCFA operating hours of 7:00 a.m. to 5:00 p.m. eastern time.
- (ii) If the downtime occurs during the hours other than specified as normal operating hours for HCFA, the Operating Site Contractor will notify the Project Officer at the earliest practical time.
- (12) The Contractor shall provide immediate notifications to HCFA and its MTS entities in the event of an emergency maintenance to its computer equipment, telecommunications linkages, and/or other devices that precludes its MTS entities from interaction with the MTS.

(13) The Contractor shall provide to its MTS entities notification and description of all major downtime occurrences within two hours of the failure.

(14) The Contractor shall provide immediate notification and description to the MTS Developer/maintainer of ALL downtime problems suspected to be caused by a MTS system failure.

(15) The Contractor shall perform all necessary analysis of all failures and effect the necessary corrective actions as deemed appropriate, with HCFA approval.

(16) The Contractor shall provide a written downtime report to HCFA for each major failure or downtime. The Contractor shall maintain a record of all downtime occurrences which includes: 1) Date and time downtime began; 2) Date and time downtime ended; 3) A description of the problem; and 4) A description of the actions taken for problem resolution.

#### C.12.b Processing Center:

(1) The Contractor shall work with the Systems Integration personnel from the Data Operations and Analysis Center to implement HCFA approved policies, standards, procedures, and techniques for a comprehensive, efficient, and cost effective BRP which can be executed in support of MTS Operating Site disaster contingency.

#### C.12.c Data Operations and Analysis Center:

(1) The Contractor shall provide a Systems Integration function to coordinate among Operating Sites in the formulation of a HCFA approved BRP, to implement policies, standards, procedures, and techniques for a comprehensive, efficient, and cost effective strategy that can be executed in support of MTS Operating Site disaster contingency.



### C.13. MTS OPERATING SITE SECURITY.

This section describes the security requirements for the facility that will house equipment and personnel that will support the MTS. Unless otherwise specified, all requirements under this sub section apply to both the Processing Center and Data Operations and Analysis Center.

#### C.13.a General:

(1) The Contractor shall plan, develop, and implement a Security Program to ensure the existence and implementation of adequate safeguards to protect personal, proprietary, Government and other sensitive data in automated systems and to ensure the physical protection of all IT systems and facilities.

(2) The Security Program shall be part of the MTS PMP and shall be required through the life of the contract.

(3) The PMP shall include a Security Plan. The Security Plan shall document all security, privacy and control functions and procedures. The Security Plan shall include provisions for an annual risk analysis.

(4) The Contractor's Security Plan shall contain the controls and safeguards listed below as it applies to its operational environment.

(i) Functions subject to control.

(ii) Data input/output controls.

(iii) Exception reports.

(iv) Hardware and software safeguards to identify and prevent unauthorized access to both program and data files.

(v) Data retention and recovery functions.

(vi) Distribution of MTS materials.

(5) The Contractor shall be responsible for maintaining and complying with all Federal, Department of Health and Human Services and HCFA security and privacy guidelines that relate to physical, software and hardware security or privacy, as well as performing/obtaining any Contractor employee background clearance/check as deemed appropriate by the Contracting Officer and/or Project Officer.

(6) The Contractor shall comply with the IT system security and/or privacy specifications set forth in the statement of work, the Department of Health and Human Services Automated Information Systems Security Program Handbook (release 2.0), OMB Circular A-130 Appendix 3 entitled Security of Federal Automated Information Resources, the HISDG Section VII entitled System Security, the FIRM 201-39.1001-1 (i) and Sections 2 and 3 of the Medicare Intermediary and Medicare Carrier Manuals.

(7) The Contractor shall conduct (either separately or in conjunction with other MTS Operating Sites) an annual Security Risk Analysis to determine any vulnerabilities and identify appropriate safeguards to be used to minimize or eliminate vulnerabilities.

#### C.13.b Processing Center:

(1) The Contractor shall provide check writing control procedures.

(i) The Contractor shall establish controls to prevent unauthorized use of facsimile signatures on checks.

(ii) The Contractor shall establish controls to prevent the release of imperfect checks. Medicare checks prepared on defective stock, or bearing erasures, alterations, overprinting, strike-overs, imperfect letters or figures, or other imperfections, must be treated as spoiled and must be voided. Such items must be immediately defaced to prevent the possibility of being negotiated.

(iii) The Contractor shall implement suitable procedures to notify the appropriate staff at Medicare's fiscal agents to reschedule payment of imperfect checks and provide for the return of voided checks to the appropriate location.

(iv) The Contractor shall ensure that check serial numbers will not be duplicated.

(2) To ensure the integrity of critical data and processing, the Contractor shall maintain controls to protect the physical and computer security of the financial processing during transition. These controls shall ensure that these processes are secure from tampering, vandalism, and unauthorized access.

(3) The Contractor shall establish physical and administrative controls to prevent unauthorized entry into the operations, data storage library, check storage, and other support areas that would afford access to financial data or check stock. See Section C.6.b and Section J, Exhibit 13; Check Stock Storage Requirements.

C.13.c Data Operations and Analysis Center:

(1) To ensure the integrity of critical data and processing, the Contractor shall maintain controls to protect the physical and computer security of the Finance Server. These controls shall ensure that these entities are secure from tampering, vandalism, and unauthorized access.

#### C.14. MTS OPERATING SITE DATA BASE ADMINISTRATION.

This section describes the requirements for data base administration services to be provided by the Contractor. Unless otherwise specified, all requirements under this section apply to both the Processing Center and the Data Operations and Analysis Center.

##### C.14.a General:

- (1) The Contractor shall provide a data base administration function responsible for establishing, maintaining, controlling and otherwise supporting the production data base environment at the Operating Site.
- (2) The Contractor shall install and maintain all releases of data base management systems software and related utility products (such as data dictionaries and language processors), and serve as the primary liaison between the vendor/supplier and MTS operating environment.
- (3) The Contractor shall create and establish MTS data bases in accordance with specifications and procedures prescribed by the MTS Developer/maintainer and approved by HCFA.
- (4) The Contractor shall implement all HCFA approved data security, privacy, and integrity (backup and recovery) procedures in support of the MTS Operating Site environment.
- (5) The Contractor shall provide data base technical support to HCFA, the MTS Developer/maintainer, the MTS Test Facility, other Operating Sites, and other entities involved in establishing, maintaining, and using the MTS Operating environment.
- (6) The Contractor shall provide a data base monitoring function and report actual or potential problems in maintaining the efficiency and integrity of MTS data bases.

##### C.14.b Processing Center:

- (1) The Contractor shall work with the Systems Integration personnel from the Data Operations and Analysis Center to implement policies, standards, procedures, and techniques for the efficient and effective execution of the data base administration function at MTS Operating Sites in accordance with the general requirements in C.20; MTS Operating Site Systems Integration.



C.14.c Data Operations and Analysis Center:

(1) The Contractor shall provide a Systems Integration function to establish and coordinate among Operating Sites to implement policies, standards, procedures, and techniques for the efficient and effective execution of the data base administration function at MTS Operating Sites in accordance with the general requirements in C.20; MTS Operating Site Systems Integration.

## C.15. MTS OPERATING SITE PRODUCTION SCHEDULING.

This section describes the tasks the Contractor must perform associated with the MTS production environment. Unless otherwise specified, all requirements under this section apply to both the Processing Center and the Data Operations and Analysis Center.

### C.15.a General:

- (1) The Contractor shall create and utilize production scheduling and control procedures which meet HCFA's requirements as stated in this statement of work and which conform to and are consistent with standard industry practices.
- (2) The Contractor shall monitor actual processing in comparison to planned schedules; determine causes for differences; and identify and resolve problems relating to scheduling.
- (3) The Contractor shall perform scheduling practices to balance production workload to achieve optimum productivity and efficiency.
- (4) The Contractor shall monitor and detect processing errors, especially abnormal termination of production runs and report these situations to the MTS Developer/maintainer.
- (5) The Contractor shall generate scheduling reports reflecting scheduling performance and submit a consolidated report to HCFA on a monthly basis. The report shall be in electronic format and available online to HCFA.
- (6) The Contractor shall report monthly on the performance of the HCFA GFE VAN telecommunication services provided. The report shall include a list of any and all telecommunications outages or disruptions including the time and duration of occurrence, the area affected, the date and time of notification to the vendor and HCFA, if appropriate, the corrective action taken, and the error's overall effect on MTS. The report will reflect all degraded service situations.

C.15.b Processing Center:

There are no additional requirements that are solely applicable to the Processing Center. The Contractor must meet the general requirements set forth in C.15.a.

C.15.c Data Operations and Analysis Center:

There are no additional requirements that are solely applicable to the DOAC. The Contractor must meet the general requirements set forth in C.15.a.

## C.16. MTS OPERATING SITE PERFORMANCE STANDARDS.

This section describes the reviews HCFA and/or its designee shall perform to ensure compliance with the requirements of the statement-of-work and the criteria employed for acceptance of deliverables. Unless otherwise specified, all requirements under this section apply to both the Processing Center and the Data Operations and Analysis Center.

### C.16.a General:

(1) HCFA may obtain additional contractor support for independent verification and validation (IV&V) of the work performed under this contract. If HCFA procures IV&V support, the Contractor shall provide the IV&V contractor access to all facilities and working documents applicable to this contract for monitoring purposes. If HCFA procures IV&V support the Contractor shall provide copies of all deliverables simultaneously to HCFA and to the IV&V contractor.

(2) HCFA retains sole authority to accept or reject deliverables. Final acceptance (approval) of deliverables will be based on HCFA's assessment of how well and timely the applicable requirements have been met, and will take into consideration, but not be bound by, the recommendations of any IV&V contractor. Where written HCFA approval of a deliverable is required, it will be signed by either the Contracting Officer or Project Officer and delivered to both the Contractor and any IV&V contractor. Acceptance of deliverables does not preclude subsequent changes at HCFA's discretion or as necessary based on further contract development. Such changes shall not be considered outside the statement-of-work for this contract.

(i) All Plans required by this statement-of-work shall require written HCFA approval. HCFA will review and evaluate such plans and notify the Contractor and any IV&V contractor of approval or rejection, and reasons therefore, in writing. Notifications will be signed by either the Contracting Officer or Project Officer.

(ii) The PMP shall be finalized not later than 30 working days after award of the contract. All other plans are considered dynamic; therefore, updates and any additional plans developed will be made available on an ongoing basis or as requested over the life of the contract.

(iii) Technical deliverables, such as models, analysis and/or performance reports, test results, data bases, software, manuals, and documentation, will be reviewed and evaluated for completeness, accuracy, clarity, conciseness, suitability and feasibility. HCFA will review and evaluate all deliverables and notify the Contractor and any IV&V contractor of approval or rejection, and reasons therefore, in writing. Notifications will be signed by either the Contracting Officer or the Project Officer.

(iv) Status, management, meeting or other informational reports requiring no HCFA action will be assumed to be accepted unless HCFA notifies the Contractor otherwise within 5 working days of receipt.

(3) Unacceptable Deliverables:

(i) In the event that HCFA determines that a deliverable is unacceptable, HCFA will provide notification of rejection, including an explanation of problems, weaknesses, or corrections to be made, along with a schedule for correction and re-submittal. In addition, HCFA may require the Contractor to submit a Corrective Action Plan for review and approval.

(4) Corrective Action Plans:

(i) Corrective action plans shall be prepared by the Contractor and submitted to HCFA on an as needed basis whenever schedules are not met, deliverables are less than satisfactory, progress as assessed by HCFA is not satisfactory or other problems occur.

(ii) The Contractor shall provide all corrective action plans (specified and ad hoc) in writing within the time frame requested. HCFA will review and evaluate such plans and notify the Contractor and any IV&V contractor of approval or rejection, and reasons therefore, in writing. Notifications will be signed by either the Contracting Officer or the Project Officer.

(5) Performance Assessment:

(i) HCFA may perform and produce a detailed annual assessment of the Contractors performance. This assessment may be performed by HCFA or its designee and include input from any IV&V contractor. Any such assessment will cover, but not be limited to, the following:

- (a) How well the Contractor has met its specific responsibilities as defined in the MTS Operating Site contract and in general instructions.
  - (b) How well the Contractor has provided complete and accurate information, as required or needed, to effectively measure and evaluate performance.
- (ii) HCFA and/or its designee may elect to evaluate Contractor performance using various methods of review including, but not limited to:
- (a) Solicitation of comments from MTS users regarding their assessment of services received.
  - (b) Observation of Operating Site staff.
  - (c) Examination of computer logs, equipment trouble reports, computer job runs, device mount wait time and any other available documentation having a bearing on Contractor performance.
  - (d) Inspection of the Contractor's facility.
  - (e) The submission of jobs or transactions to assess turn-around and application software performance.
- (iii) The Contractor shall submit any information necessary for HCFA and/or its designee to conduct the assessment.
- (iv) The Contractor shall, as needed, attend meetings in support of the assessment and respond to questions that arise during the meetings. These meetings shall be attended by the project director and key staff for the area of review.
- (v) Assessments may address all aspects of the contract including technical, cost, performance and sub-contractor activity, if applicable.
- (vi) The Contractor shall be notified by HCFA of the results of the assessment. If applicable, the Contractor shall prepare and submit a Corrective Action Plan and/or be required to correct any deficiency identified.

C.16.b Processing Center:

There are no additional requirements that are solely applicable to the Processing Center. The Contractor must meet the general requirements set forth in C.16.a.

C.16.c Data Operations and Analysis Center:

There are no additional requirements that are solely applicable to the DOAC. The Contractor must meet the general requirements set forth in C.16.a.

## C.17. MTS TELECOMMUNICATIONS SUPPORT.

This section describes the role and responsibilities the Contractor shall have regarding MTS telecommunications. Unless otherwise specified, all requirements under this section apply to both the Processing Center and the Data Operations and Analysis Center.

### C.17.a General:

- (1) The Contractor shall utilize the HCFA GFE VAN. The HCFA GFE VAN will supply all circuits, modems, and communications lines required to connect all MTS entities. The Contractor, however, is responsible for establishing multiple connections to local telephone company points of presence should they not already exist.
- (2) The Contractor shall provide the full range of technical and management services required to successfully interface with and support the MTS telecommunications network. The Contractor shall designate a primary telecommunications liaison to work with the HCFA GFE VAN vendor to establish, maintain and enhance Operating Site telecommunications.
- (3) The Contractor shall have telecommunications support personnel on-site to assist the HCFA GFE VAN vendor in resolving problems. See Section C.5; MTS Operating Site Personnel.
- (4) The Contractor shall report to the HCFA GFE VAN vendor all telecommunications service outages to ensure that they are restored within the targeted systems availability and restorations time frames.
- (5) The Contractor shall provide its own Local Area Networks (LAN) to fully support internal Operating Site operations. Should for any reason the LAN not support the associated print/mail facility (where required), the Contractor shall provide for that facility's telecommunications support. That is, the HCFA GFE VAN's services are not available for print/mail operations support.

### C.17.b Processing Center:

There are no additional requirements that are solely applicable to the Processing Center. The Contractor must meet the general requirements set forth in C.17.a.



C.17.c Data Operations and Analysis Center:

There are no additional requirements that are solely applicable to the DOAC. The Contractor must meet the general requirements set forth in C.17.a.

## C.18. MTS OPERATING SITE TRAINING SUPPORT.

This section describes the Contractor's role and responsibilities for training MTS users. Unless otherwise specified, all requirements under this section apply to both the Processing Center and the Data Operations and Analysis Center.

### C.18.a General:

There are no GENERAL requirements applicable to both the Processing Center and DOAC. The Contractor shall meet the training requirements set forth in C.18.b or C.18.c below.

### C.18.b Processing Center:

- (1) Each Contractor shall be responsible for training half of the current Local Contractor community and any new Medicare local or specialty contractors that may be procured during the life of the Operating Site contract. Each Contractor shall also train half of the MCOs.
- (2) Each Contractor shall deliver training through a "train the trainer" method in which the Contractor trains local trainers from the Local Contractor/MCO. Those trainers then train their own end users and any external entities (e.g. providers, billing agents, etc.).
- (3) HCFA will designate the releases for which the Contractor shall be required to use the "train-the-trainer" strategy, as described above.
- (4) HCFA or its designee will provide training materials (including any computer based training or other software to allow "hands on" training), user manuals, model curriculum, and a model training plan. The Contractor's personnel shall also receive from HCFA or its designee, MTS training.
- (5) HCFA will provide information about the current system utilized, nature of workloads, and any "local variations" at each Medicare contractor that may affect the need or nature of the training provided. Any pertinent information that may affect the need or nature of training provided to MCO's will also be provided.
- (6) The Contractor shall use the evaluation protocol provided by HCFA , to be administered after each "train-the-trainer" training session, with the results provided to the HCFA training coordinator.

(7) The Contractor shall establish, implement, and use a change control mechanism for all training materials to ensure appropriate updating of materials.

(8) The Contractor shall report any inconsistencies between and among the training materials, HCFA program manuals, user manuals and applications software to the HCFA training coordinator; the operating site shall submit request for changes in the training materials to HCFA, as necessary.

(9) For each Local Contractor or MCO to be trained to each release of the system, the Contractor shall:

- (i) finalize a training plan and curriculum, based on the models provided, but customized, if necessary, to any specific Local Contractor or MCO needs. The training plan shall address any workloads or functions that may be unusual at that Local Contractor, including any “local variations” which may require customized training. The plan shall be developed jointly with the Local Contractor or MCO and in accord with the overall transition plan for that Local Contractor/MCO;

- (ii) duplicate and provide the necessary number of copies of training materials and documentation for the Local Contractor/MCO training staff;

- (iii) provide the training materials and training to the Local Contractor or MCO trainers who will actually deliver the training to the end user;

- (iv) be available on-site during the initial series of end user training to assist the Local Contractor/MCO trainers in delivery of training; and

- (v) administer an evaluation at the end of the scheduled training for the trainers, incorporating results or suggestions for improvements.

(10) The Contractor shall provide the following deliverables:

- (i) For each Local Contractor or MCO that is trained, a training plan that identifies the major categories of training needed for “train the trainer” and end users, number of persons to be trained in each category, the schedule for the training, and the persons or organizations responsible for each activity in the training plan. For the training provided for the initial transition to MTS, this plan is due 90 days before cut over to the new system, as established in the overall transition plan.

(ii) For each Local Contractor or MCO that is trained, a weekly status report on training activities, identifying work accomplished, problems encountered and resolutions provided, and progress against the plan and schedule. For the training provided for the initial transition to MTS, this weekly status report is due 60 days before cut over to 60 days after cut over.

(iii) For each Local Contractor/MCO that “train-the-trainer” training is provided, a formal evaluation report of that training shall be provided to HCFA 15 days after the cut over to the new/revised system.

C.18.c Data Operations and Analysis Center:

(1) HARDWARE AND SYSTEM SUPPORT FOR USER TRAINING:

(i) The Contractor shall provide and maintain a training system which replicates or mirrors the MTS production system for training of MTS end-users. The training system shall support training efforts for both batch and interactive mode. See Section C.7.c and Section J, Exhibit 3; Training Support Workload.

(ii) The Contractor, via the training system, shall be responsible for supporting all IT training needs of the current Local Contractors and any new Local Contractors that may be procured during the life of the contract. The Contractor shall also support the IT training needs for all MCOs.

(iii) The Contractor shall receive from HCFA, data bases containing data which supports the hands-on training of the MTS trainers and end-users.

(iv) The Contractor shall provide up to 70 separate training data bases which are independently updatable and refreshable. This is applicable during the life of the contract.

(v) The Contractor shall develop a schedule and make the training system available on an on-going basis for end-user training.

(vi) The Contractor shall make the training system available on request during the business hours of 7:00 a. m. Eastern time to 11:00 p. m. Eastern time, across all time zones, for all end-users.

(vii) The Contractor shall maintain a level of security which separates the production and training data bases and does not allow for a mixing of the two. The Contractor shall not allow training data to be processed in its production environment.

(viii) The Contractor shall provide a fully operational training system 90 days before the first Local Contractor cutover to the MTS, as established in the MTS transition plan. See Section C.4; MTS Operating Site Transition Plan.

(ix) The Contractor shall provide an automated weekly status report which will be electronically available to HCFA. The weekly status report will provide, at a minimum, information regarding when the system was available, unavailable, and the number of users accessing the training.



## C.19. MTS OPERATING SITE PRINT/MAIL REQUIREMENTS.

This section describes the Contractor's role and responsibilities for Print/Mail operations. See Section J, Exhibit 17; Print/Mail.

### C.19.a General:

There are no GENERAL requirements applicable to both the Processing Center and DOAC.

### C.19.b Processing Center:

(1) The Contractor shall provide for all necessary personnel, facilities, hardware, software, physical security and supplies to become a fully functional Print/Mail site. Additionally, the Contractor shall work with the United States Postal Service to obtain an onsite postal clerk as necessitated by management policy, output volumes, and delivery schedules.

(2) The Contractor shall provide for MTS Print/Mail Site Security as described in Section C.13; MTS Operating Site Security.

(3) It is desirable that the Print/Mail site shall be located near a major postal customer service center as defined by the United States Postal Service (USPS) for the purpose of accommodating better routing and mailing of Print/Mail deliverables. Regardless of the location, the Contractor shall meet all facility requirements as described in Section C.6; MTS Operating Site Facility.

(4) The Contractor shall be required to maintain a seven day, 24 hour operation as specified in Section J, Exhibit 17; Print/Mail. Each Processing Center shall support a Print/Mail operation.

(5) The Contractor shall provide a Print/Mail Manager as described in Section C.6; MTS Operating Site Personnel and support staff necessary to effectively meet MTS output requirements.

(6) The Contractor shall provide all necessary Print/Mail hardware, software and printing equipment as described in Section J, Exhibit 17; Print/Mail.

(7) The Contractor shall provide as part of its Project Management Plan a set of activities describing all major and sub tasks necessary to act as a MTS Print/Mail facility.

(8) The Contractor shall be responsible for developing and maintaining a back up and disaster recovery process for Print/Mail activities. See Section C.12; MTS Operating Site Business Resumption Plan.

(9) The Contractor shall enter into any necessary third party agreement between HCFA, other operating and Print/Mail sites, Medicare Contractors, providers, and clearing houses for the purpose of establishing delivery timetables to ensure timely performance, that outputs meet job specifications and that customer performance expectations are met.

(10) The Contractor shall provide cross-training for employees in all aspects of the Print/Mail production process which should include a basic understanding of all MTS Print/Mail outputs, the function of the various pieces of equipment including the ability to program and provide routine maintenance to the equipment, and the ability to develop quality control reports. NOTE: Any employee(s) selected by the Contractor for its cross-training activity who previously did not have access to payment files or check stock but would after training, must meet the bond requirements set forth in C.5.a (3) above.

(11) The Contractor shall maintain banking standards and safeguards for printing, processing and mail management of Medicare checks as required by HCFA.

(12) The Contractor shall take into account USPS requirements associated with Classification Reform to carry out the requirements in this section.

(13) At implementation, the Processing Centers will not be responsible for printing and distributing Medicare checks. At HCFA's option, at some future time the Processing Centers will be required to print and distribute Medicare checks. The Processing Centers will not be responsible for processing undelivered checks or distributing EFT payments at the Print/Mail facility. All check printing jobs must be processed and checks mailed within 24 hours of receipt from the shared systems or the Finance Server. Medicare checks are usually sent out with other correspondence so the Contractor will be required to combine checks with specific correspondence that will be generated from other sources.

#### C.19.c Data Operations and Analysis Center:

There are no additional requirements that are solely applicable to the DOAC.



## C.20. MTS OPERATING SITE SYSTEMS INTEGRATION.

This section describes the Contractor's requirements for Systems Integration. Unless otherwise specified, all requirements under this section apply to the Data Operations and Analysis Center.

### C.20.a General:

There are no GENERAL requirements that are applicable to both the Processing Center or DOAC.

### C.20.b Processing Center:

There are no additional requirements that are solely applicable to the Processing Center.

### C.20.c. Data Operations and Analysis Center:

- (1) The Contractor shall plan and execute systems integration services as a major task of its PMP.
- (2) The Contractor shall co-chair, assist in developing a charter, and coordinate a Systems Management Planning Group (SMPG), to be established by HCFA. HCFA will also co-chair the SMPG. The Contractor shall summarize the activities of the SMPG and publish minutes to participants and effected parties.
- (3) The Contractor shall provide system integration services to support the planning, coordination, and implementation of transition activities as described in Section C.4; MTS Operating Site Transition Plan and Section J, Exhibit 2; Transition Plan.
- (4) The Contractor shall provide systems integration services to plan, coordinate, and implement hardware, software, and telecommunications network capabilities in support of MTS operations in accordance with requirements under Section C.7; MTS Hardware/Software.
- (5) The Contractor shall provide systems integration services to plan, coordinate, and implement a technical support "Help Desk" function for MTS in accordance with requirements under Section C.9; MTS Operating Site Technical Support.

(6) The Contractor shall provide systems integration services to plan, coordinate, and implement MTS applications software releases in accordance with requirements of Section C.10; MTS Operating Site Application Software Release.

(7) The Contractor shall provide systems integration services to plan, coordinate, and implement a comprehensive MTS business resumption function in accordance with the requirements under Section C.12; MTS Business Resumption Plan.

(8) The Contractor shall provide systems integration services to plan, coordinate, and implement an enterprise wide MTS security plan in accordance with the requirements of Section C.13; MTS Operating Site Security.

(9) The Contractor shall provide systems integration services to plan, coordinate, and implement a comprehensive data base administration function for MTS in accordance with the requirements under Section C.14; MTS Operating Site Data Base Administration.

(10) The Contractor shall provide systems integration services to plan, coordinate, and implement a uniform approach to production controls, scheduling, and workload management capabilities for MTS in accordance with requirements under Section C.15; MTS Operating Site Production Scheduling.

(11) The Contractor shall provide systems integration services to plan, coordinate, and implement an enterprise-wide telecommunications support capability in accordance with the requirements under Section C.17; MTS Telecommunications Support.

(12) The Contractor shall provide systems integration services to plan, coordinate, and implement a comprehensive MTS user training capability in accordance with requirements under Section C.18; MTS Operating Site Training Support.

(13) The Contractor shall provide systems integration services to plan and coordinate with Processing Center system integration personnel the assembly and integration of a complete, uniform bulk printing and automated mail handling solution for MTS in accordance with the requirements under Section C.19; MTS Operating Site Print/Mail Requirements.

(14) The Contractor shall identify other opportunities to provide systems integration services which improves the MTS operational environment in accordance with the statement-of-work and support any new or changing requirements identified.

PART I

SECTION D - PACKAGING AND MARKING

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## D.1. PACKING, MARKING, AND SHIPPING

D.1.a. All deliverables required under this contract shall be packaged, marked, and shipped in accordance with Government specifications and good commercial practice. The contractor shall guarantee that required materials shall be delivered in immediate and acceptable condition.

D.1.b. All deliverables hereunder shall be marked on the outer wrapping with the Contractor's name, address, and the contract number under which delivery is being made. Each package, report, or other deliverable hereunder shall be accompanied by a letter or other document which identifies the deliverable item number or report requirement and indicates whether the Contractor considers the delivered item to be in partial or full satisfaction of the delivery requirement.

D.1.c. All diskettes and electronic media shall be packaged appropriately to protect the contents from damage. Extra markings should be considered for protection against exposure to magnetic fields or temperature extremes.

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PART I

SECTION E - INSPECTION AND ACCEPTANCE

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## E.1. INSPECTION OF SERVICES

E.1.a. All work under this contract is subject to inspection and final acceptance by the Contracting Officer or the duly authorized representative of the Government.

E.1.b. The Government's Project Officer is a duly authorized representative of the Government and is responsible for inspection and acceptance of all items to be delivered under this contract.

E.1.c. Inspection and acceptance of the Contractor's performance shall be in accordance with FAR Clause 52.246-5 "Inspection of Services--Cost Reimbursement."

## E.2. FAR 52.246-5 INSPECTION OF SERVICES--COST REIMBURSEMENT (APR 1984)

(a) Definition. "Services," as used in this clause includes services performed, workmanship, and material furnished or used in performing services.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test all services called for by the contract, to the extent practicable at all places and times during the term of the contract. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If any of the services performed do not conform with contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, for no additional fee. When the defects in services cannot be corrected by reperformance, the Government may (1) require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and (2) reduce any fee payable under the contract to reflect the reduced value of the services performed.

(e) If the Contractor fails to promptly perform the services again or take the action necessary to ensure future performance in conformity with contract requirements, the Government may (1) by contract or otherwise, perform the services and reduce any fee payable by an amount that is equitable under the circumstances or (2) terminate the contract for default.

### E.3. ACCEPTANCE

Acceptance of all work and items under this contract shall be accomplished by the HCFA Contracting Officer, or his/her duly authorized representative, as designated in Section G of this contract. For the purpose of this article, the Project Officer (PO) named in Section G.2 of this contract is the representative of the Contracting Officer. The Contracting Officer reserves the right to unilaterally designate other Government agents as authorized representatives. Should such occur, the contractor will be notified by a written notice or by a copy of the delegation letter.

PART I

SECTION F - DELIVERIES OR PERFORMANCE

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## F.1. PERIOD OF PERFORMANCE

F.1.a. Performance of all work required under this contract shall be for a base period of sixty (60) months from the effective date of contract award. Any performance beyond the contract period indicated in Section B.3 shall be contingent upon the availability of appropriated funds. If funds are not provided, the Government has no legal obligation for any payment, nor does the contractor have a legal obligation to perform beyond the period indicated in Section B.3.

F.1.b. Pursuant to a determination by the Government, this contract may be extended beyond the initial sixty (60) month term for two (2) renewal periods of one (1) year each, in accordance with Section G.21. The intent to extend the contract for each renewal period shall be by written notice, from the Contracting Officer, issued at least ninety (90) days prior to the expiration date of the contract term.

F.1.c. In the event that the Government determines not to extend the contract beyond the initial sixty (60) month term, or beyond an option year, the Government shall have the unilateral right to extend the contract on a month-to-month basis for up to six (6) months after the end of the initial term or option year, in order to facilitate a smooth transition to a new contractor. The contract may be extended on a month-to-month basis by written notice from the Contracting Officer, issued at least thirty (30) days prior to the month or months for which the contract will be extended.

## F.2. FAR 52.212-13 STOP WORK ORDER (ALTERNATE I) (AUG 1989)

(a) The Contracting Officer may, at any time by written order to the contractor, require the Contractor to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Contractor and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work order is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Contracting Officer shall either -

(1) Cancel the stop-work order; or

(2) Terminate the work covered by the order as provided in the termination clause of this contract.

(b) If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule, the estimated cost, the fee, or a combination thereof, and in any other terms of the contract that may be affected, and the contract shall be modified, in writing, accordingly, if -

(1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this contract; and

(2) The Contractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided that, if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon the claim asserted at any time before final payment under this contract.

(c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.

(d) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

### F.3. DELIVERABLES/REPORTS

The Contractor shall submit all required deliverables or reports as specified in Section C, Statement of Work. One (1) copy of the transmittal letter for each deliverable shall be submitted to the Contracting Officer. See Section G.6 regarding correspondence procedures. In addition to the reports required by Section C, the Contractor shall furnish the following reports:

F.3.a. Progress Reports

(1) The Contractor shall submit one (1) copy to the Contracting Officer and one copy to the Project Officer of a monthly progress report to include, at a minimum, status on achievement of milestones and deliverables, the percentage of the project completed during the reporting period, problems encountered, and any corrective action initiated during the reporting period. Specifically, for problems encountered, the report should include the area impacted, the level of the problem, problem analysis, the solution or work around, whether the report of the problem has been closed, and the impact on the contract as a whole. Project-related concerns and recommendations shall be reported to HCFA to ensure that the required level of contract performance is maintained by the contractor. The report shall also include a statement of activity anticipated during the subsequent reporting period and any proposed changes of key personnel concerned with the contract effort. The monthly progress reports shall be submitted on or before the fifteenth day of each month, following the first complete month of contract performance.

(2) In addition to the above described monthly progress reporting requirement, the contractor shall submit the following reports as described in their technical proposal. These reports shall be submitted to the above addresses on or before the fifteenth day of each month following the first complete calendar month of the contractor or as otherwise indicated below.

SOW Reference	Name of Report	Due Date
---------------	----------------	----------

[ To be completed at award ]

F.3.b. Quarterly Status Report

The Contractor shall provide quarterly status reports describing progress made to date. The reports shall provide current status of all phases of the project:

- o Review of status of established goals, objectives, and deliverables;

- o Identification of outstanding requirements;
- o Descriptions of work performed for that quarter and work performed to date on the contract as a whole and plans for the next quarter;

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- o Project concerns and problems, resolution and recommendations;
- o Identification of the types, levels, and numbers of staff required to perform the assigned tasks for the closing quarter and projections for the next quarter;
- o A list of all equipment and software which is purchased, leased, developed, or otherwise obtained, maintained and operated under this contract; and
- o A list of all technical documents, including new system requirements and specifications, produced under the contract and maintained in a technical documentation library.

#### F.3.c. Corrective Action Reports

As the issues present themselves, or as requested by HCFA, the contractor shall submit a report which details any corrective action taken to rectify the problems affecting critical tasks. See Section C.16.a (4) for Corrective Action Report requirements.

#### F.3.d. Financial Reports

- (1) After the end of each month, the Contractor shall prepare and submit to the Government a Monthly Spending Report (MSR), in such form and at such time as the Government shall designate in the General Instructions. See Section G.26. The Contractor shall report costs on a project/activity basis as described in this RFP and in such General Instructions as shall be issued by the Government. The Contractor shall also report on material variances from the Annual Spending Plan described in G.26 on a periodic basis as required by the Government. The Contractor shall accurately report costs as accumulated in the Contractor's budget and/or cost accounting system(s).
- (2) The Monthly Spending Report in no way changes the notification requirements of the "Limitation of Cost" clause, nor does submission of the report constitute notice as required by the "Limitation of Cost" clause. The notice to the Contracting Officer required by the "Limitation of Cost" clause is required as a separate notice in accordance with the

provisions of said clause.

(4) One (1) copy of the MSR shall be submitted to the Contracting Officer and one (1) copy to the Project Officer.

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#### F.4. WORKING FILES

The Contractor shall maintain accurate working files on all work documentation including calculations, assumptions, interpretations of regulations, sources of information, and other raw data required in the performance of this contract. The Contractor shall provide the information contained in its working files upon request of the Contracting Officer.

PART I

SECTION G - CONTRACT ADMINISTRATION

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#### G.1. CONTRACTING OFFICER

G.1.a. Mr. John Amrhein has been designated as the Contracting Officer (CO). The CO shall be responsible for the issuance of any contract modifications as well as other contractual aspects as defined to be the CO's responsibility per FAR 1.602-2.

G.1.b. The Government reserves the right to name a successor Contracting Officer in the event of the unavailability of the original Contracting Officer during the term of the contract.

#### G.2. PROJECT OFFICERS (PO)

G.2.a. Mr. Calvin Swanson is hereby designated as the Project Officer for the Data Operations and Analysis Center (DOAC).

G.2.b. Ms. Carolyn Robinson is hereby designated as the Project Officer for Processing Center #1 (PC1).

G.2.c. Ms. Nancy Holt is hereby designated as the Project Officer for Processing Center #2 (PC2).

G.2.d. There is no significance to the designation of the Processing Centers as # 1 and # 2. The numbers are used solely for identification purposes.

G.2.e. Project Officer responsibilities shall include technical administration and continuous monitoring of the Contractor's performance, and guiding the technical aspects of the project in accordance with Section G.3., Technical Direction. The PO is delegated the authority to provide technical direction to the Contractor, but is not authorized to make any commitment



or any change that would constitute a basis for any increase in the total estimated cost or term of this contract.

### G.3. TECHNICAL DIRECTION

G.3.a. Performance of the work under this contract shall be subject to the technical direction of the PO. The term "technical direction" is defined to include, without limitation, the following:

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- (1) Directions to the Contractor which redirect the contract effort, shift work emphasis between work areas or tasks, require pursuit of certain lines of inquiry, fill in details or otherwise serve to accomplish the contractual statement of work.
- (2) Provision of information to the Contractor which assists in the interpretation of drawings, specifications, or technical portions of the work description.
- (3) Review and, where required by the contract, approval of technical reports, drawings, specifications, and technical information to be delivered by the Contractor to the Government under the contract.

G.3.b. Technical direction must be within the general Scope of Work stated in the contract. The Project Officer does NOT have the authority to and may not issue any technical directions which:

- (1) Constitute an assignment of additional work outside the general scope of the contract.
- (2) Constitute a change as defined in the contract clause FAR 52.243-2, entitled "Changes-Cost Reimbursement" (See Section I.16 for full text.)
- (3) Change any of the expressed terms, conditions, or specifications of the contract.
- (4) In any manner causes a change in the estimated cost, any fee (if applicable), or the time required for contract performance.

G.3.c. All technical direction shall be issued in writing by the Project Officer or shall be confirmed by him/her in writing within 5 working days after issuance.

G.3.d. The Contractor shall proceed promptly with the performance of technical direction duly issued by the PO in the manner prescribed by this article and within his/her authority under the provisions of this article.

G.3.e. If, in the opinion of the Contractor, any instruction or direction issued by the PO is within one of the categories as defined in (1) through (4) in paragraph G.3.b. above, the Contractor shall not proceed, but shall notify the Contracting Officer in writing within 5 working days after the receipt of any such instruction or direction and shall request the Contracting Officer to modify the contract, accordingly. Upon receiving such notification from the Contractor, the CO shall issue the appropriate contract modification or advise the Contractor in writing that, in his/her opinion, the technical direction is within the scope of this contract and does not constitute a change under

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the Changes clause of this contract. The Contractor shall thereupon proceed immediately with the instructions to be taken with respect thereto and shall be subject to the provision of the contract clause entitled "Disputes."

## G.4. MODIFICATION AUTHORITY

Notwithstanding any of the other provisions of this contract, the Contracting Officer shall be the ONLY individual authorized to:

- Accept nonconforming work;
- Waive any requirements of this contract;
- Order additional work; or
- Modify any term, condition, clause, or provision of this contract.

## G.5. DESIGNATION OF GOVERNMENT PROPERTY ADMINISTRATOR

G.5.a. The Contractor shall provide all facilities, equipment, materials and supplies necessary for the performance of its contract, except those items listed in H.2, Government Furnished Property.

G.5.b. If during the term of this contract, the need arises for Government furnished property (GFP) and the Contracting Officer approves the purchase/use of such GFP, the Contractor shall be responsible for furnishing information regarding said GFP to the Property Administrator. The HCFA Contract Property Administrator, Office of Financial and Human Resources, is hereby designated the responsibility for the property administration functions of this contract.

G.5.c. Should the Contractor handle GFP, the Government shall be responsible for insuring that the Contractor is provided all necessary materials relating to the Contractor's responsibility for GFP. The Contractor shall be responsible for furnishing any requests for GFP and any reports regarding GFP to the attention of the Contracting Officer.

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G.5.d. Any correspondence to the HCFA Contract Property Administrator shall be addressed as follows:

Health Care Financing Administration  
HCFA Contract Property Administrator  
Mail Stop SLL-14-06  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

### G.6. CORRESPONDENCE PROCEDURES

To promote timely and effective administration of this contract, all correspondence submitted shall be subject to the following procedures:

#### G.6.a. Technical Correspondence

The Contractor shall provide all technical correspondence including deliverables, technical reporting documents and related correspondence as required by this contract. All hardcopy

reports submitted under this contract shall reference and cite the contract number and identify HCFA as the sponsoring agency. All reports shall be directed to the appropriate operating site Project Officer at the following address:

Health Care Financing Administration  
Bureau of Program Operations  
Office of Analysis and Systems  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850  
Attn:     [name of appropriate PO]    , Project Officer

For any package, report, or other deliverable being delivered to a party other than the Contracting Officer, a copy of the transmittal letter shall be simultaneously provided to the Contracting Officer at the address specified below in G.6.b.

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#### G.6.b. Other Correspondence

All administrative correspondence shall be addressed to the Contracting Officer with reference to the contract number to the following address:

Health Care Financing Administration  
Bureau of Program Operations  
Office of Contract Administration  
Mail Stop S2-01-23  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850  
Attn: Mr. John Amrhein

#### G.7. NOTIFICATION OF CHANGES

G.7.a. Definitions. As used in this article, the term "Contracting Officer" does not include

any representative of the Contracting Officer whether or not such representative is acting within the scope of his/her authority.

G.7.b. Notice. The primary purpose of this article is to obtain prompt reporting of Government conduct which the Contractor considers to constitute a change to this contract within the meaning of the FAR clause 52.243-2, entitled "Changes-Cost Reimbursement" (See Section I.16.) Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Contracting Officer in writing promptly, and in any event, within fifteen (15) calendar days from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) which the Contractor regards as a change to the contract terms and conditions. The notice shall state, on the basis of the most accurate information available to the Contractor:

- (1) the date, nature, and circumstances of the conduct regarded as a change;
- (2) the name, responsibility, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;
- (3) the identification of any documents and the substance of any oral communication involved in such conduct; and

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- (4) the particular elements of contract performance for which the Contractor may seek an equitable adjustment under the "Changes" clause, including:
  - (i) what portion(s) of the contract Statement of Work will be affected by the alleged change;
  - (ii) what adjustments to the contract fixed price, estimated cost, fixed fee, delivery or performance schedule, and other provisions affected by the alleged change are estimated; or
  - (iii) continued performance. The Contractor shall not proceed with the alleged change identified in the notice required in G.7.b above, unless notified in writing by the Contracting Officer. Until such notification is received, the Contractor shall continue performance of this contract in accordance with its terms and conditions.

G.7.c. Government Response. The Contracting Officer shall respond in writing to the notice required by G.7.b. above. In such response, the Contracting Officer shall either:

- (1) confirm that the conduct of which the Contractor gave notice constitutes a change and, when necessary, direct the mode of further performance in accordance with the "Changes" clause;
- (2) countermand any communication regarded as a change;
- (3) deny that the conduct of which the Contractor gave notice constitutes a change and, when necessary, direct the mode of further performance; or
- (4) in the event of the Contractor's notice information is inadequate to make a decision under G.7.c. (1), (2), or (3) above, advise the Contractor what additional information is required, and establish the date by which it should be furnished.

G.7.d. Equitable Adjustments. If the Contracting Officer confirms that Government conduct effected a change within the scope of the "Changes" clause as alleged by the Contractor, and such conduct causes an increase or decrease in the estimated cost of, or the time required for, the performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment may be made in accordance with the "Changes" clause of this contract.

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### G.8. PRICING OF ADJUSTMENTS

When costs are a factor in any determination of a contract price adjustment pursuant to the "Changes" clause, or any other clause of this contract, such costs shall be in accordance with the contract cost principles and procedures in Part 31 of the FAR (48 CFR Ch. 1) in effect on the date of the contract.

### G.9. CONTRACTOR KEY PERSONNEL

G.9.a. The key personnel specified below and defined in Section C.5. are considered to be essential to the work being performed in all phases of work under this contract:

Processing Center

Operating Site Manager

Data Operations and Analysis Center

Operating Site Manager

Systems and Operational Support Manager  
Data Base Administrator  
Print/Mail Facility Manager  
Transition Support Manager  
Training Manager

Systems and Operational Support Manager  
Data Base Administrator  
Systems Integration Manager

G.9.b. Individuals proposed and accepted as key personnel for this contract are expected to remain dedicated to the contract. See C.5.a (4). Substitutions will not be accepted unless specifically agreed upon and shall be made in accordance with G.9.c. below.

G.9.c. No diversion, substitution/replacement of any key personnel shall be made by the Contractor without the written consent of the Contracting Officer. Prior to substituting any of the key personnel specified in G.9.a. above, the Contractor shall notify the Contracting Officer thirty (30) days in advance. All requests for a substitution must provide a detailed explanation of the circumstances necessitating the proposed substitution, the name and resumé of the proposed substitution, and any other information requested by the Contracting Officer. Proposed substitutes shall be of equal or superior qualifications to those of the persons being replaced. The Contracting Officer will notify the Contractor within 15 days after receipt of all required information of the decision on substitutes.

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### G.10. USE OF GOVERNMENT SUPPLIED DATA (REPORTS, FILES, COMPUTER TAPES OR DISKS)

G.10.a. Any data given to the Contractor by the Government shall be used only for the performance of the contract unless the Contracting Officer specifically permits another use, in writing. Should the Contracting Officer permit the Contractor the use of Government-supplied data for a purpose other than solely for performance of this contract and, if such use could result in a commercially viable product, the Contracting Officer and the Contractor must negotiate a financial benefit to the Government. This benefit should most often be in the form of a reduction in the price of the contract; however, the Contracting Officer may negotiate any other benefits he/she determines are adequate compensation for the use of these data.

G.10.b. Upon the request of the Contracting Officer, or the expiration date of this contract, whichever shall come first, the Contractor shall return or destroy all data given to the Contractor by the Government. However, the Contracting Officer may direct that the data be retained by the

Contractor for a specific period of time, which period shall be subject to agreement by the Contractor. Whether the data are to be returned, retained, or destroyed shall be the decision of the Contracting Officer with the exception that the Contractor may refuse to retain the data. The Contractor shall retain no data, copies of data, or parts thereof, in any form, when the Contracting Officer directs that the data be returned or destroyed. If the data are to be destroyed, the Contractor shall directly furnish evidence of such destruction in a form the Contracting Officer shall determine adequate.

#### G.11. SUBJECT DATA TO BE DELIVERED

G.11.a. Any working papers, interim reports, data or results obtained or developed by the Contractor (subcontractor or consultants) pursuant to the fulfillment of this contract are hereby defined as "Subject Data" and are hereby specified to be submitted, documented, and formatted as specified by HCFA. The Contractor shall provide such working papers upon request of the Contracting Officer.

G.11.b. Information/data which are held by the Contractor to be related to the operation of its business/institution and which were obtained without the use of Federal funds shall not be considered subject data. These types of information shall be considered "Proprietary Data" and are not Subject Data to be delivered under this contract.

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#### G.12. DISSEMINATION OF INFORMATION

G.12.a. Data and information either provided to the Contractor or to any subcontractor or generated by activities under the proposed contract shall be privileged. Unless instructed to do so by HCFA, the Contractor and any subcontractor shall be restricted from duplicating, using, or disclosing such data or information, in whole or in part, outside HCFA for any purpose other than the fulfillment of the requirements set forth in this contract.

G.12.b. This restriction does not limit the Contractor's right to use such data or information if it is obtained from a nonrestricted source. Any questions about "privileged information" shall be referred to the Contracting Officer.

G.12.c. Any questions about use or release of the data or information or handling of material



under this contract, shall be referred to the Contracting Officer who must render a written determination. The Contracting Officer's determinations will reflect the results of internal coordination with appropriate program and legal officials.

#### G.13. SUBCONTRACT CONSENT

G.13.a. To facilitate the review of a proposed subcontract by the PO and the Contracting Officer, the Contractor shall submit the information required by FAR clause 52.244-2 entitled, Subcontracts (Cost Reimbursement and Letter Contracts), to the assigned PO. The Contracting Officer shall review the request for consent to subcontract and the PO's recommendation, and advise the Contractor of the decision to consent to or dissent from the proposed subcontract, in writing.

G.13.b. Consent is hereby given to issue the following subcontract(s) as presented in the Contractor's proposal:

[To Be Completed Upon Award]

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#### G.14. FIRMR 210-39.5202-3 PROCUREMENT AUTHORITY (OCT 1990)

G.14.a This acquisition is being conducted under a specific acquisition delegation of GSA's exclusive procurement authority for Federal Information Processing (FIP) resources.

G.14.b. The specific GSA Delegation of Procurement Authority (DPA) case number is KM-92-0529. The HHS Office of Information Resources Management case number is #39-92.

#### G.15. SUBMISSION OF VOUCHERS

G.15.a. Once each month following the effective date of this contract, the Contractor may submit to the Government a voucher for payment of work under this contract in accordance with FAR clause 52.216-7 "Allowable Cost and Payment." Vouchers shall be prepared in accordance with Section J, Exhibit 18, (Public Voucher SF 1034) and made a part of this contract. The Government shall make provisional payments on all vouchers pending the completion of a final audit of the Contractor's cost records.

G.15.b. To receive monthly payment, the Contractor shall also be required to submit electronically to HCFA each month budget and cost data as described in G.26 below simultaneously with the submission of Public Voucher SF 1034. Any discrepancies between overall costs submitted on the SF 1034 and the Monthly Spending Report that are not described and explained could delay the processing of the SF 1034, and may result in the SF 1034 being returned to the Contractor for Correction.

G.15.c. To expedite payment, vouchers shall be sent as follows:

- (1) Each monthly voucher (one original and four copies) shall be sent in accordance with the instructions of the SF 1034 directly to the address below (where applicable, the Contractor shall submit the invoice to said office via the cognizant Government auditor):

Department of Health and Human Services  
Health Care Financing Administration  
Director, Division of Accounting, OFM, OFHR  
P.O. Box 7520  
Baltimore, Maryland 21207-0520

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- (2) One (1) copy of the invoice shall be simultaneously submitted to the CO and PO at the addresses stated in G.6 above.

G.15.d. The invoices submitted shall be numbered consecutively and shall contain, at a minimum, the following information:

- (1) Contractor's name, contract number, and invoice date;
- (2) Description and quantity of property and/or services actually delivered or rendered;

- (3) Actual funds expended during the reporting month;
- (4) Actual person-hours, reported by individuals (identified by name and title) and assigned task;
- (5) Cumulative funds expended from the effective date of the contract through the last day of the reporting month;
- (6) Cumulative man-hours, reported by individual and assigned task expended from the effective date of the contract through the last day of the reporting period.
- (7) Indirect costs.
- (8) Other substantiating documentation or information as required by the contract; and
- (9) Name, title, phone number, and complete mailing address of responsible official to whom payment is to be sent.

G.15.e. If the Contractor is also a Medicare Carrier or Intermediary, the cost accounting practices must enable costs associated with this contract's work to be accounted for separately from costs associated with the Contractor's work under its Medicare Carrier or Intermediary contract.

#### G.16. PAYMENT OF VOUCHERS

G.16.a. The target date for payment pursuant to the provision of FAR Clause 52.216-7, "Allowable Cost and Payment" of this contract shall be 30 calendar days after an invoice containing the information set forth in G.15.d. above is received in the payment office designated in G.15.c.

G.16.b. Upon receipt of the Contractor's "completion invoice" in the payment office, payment of any remaining cost and fee determined to be allowable pursuant to the provisions of FAR Clause 52.216-7, "Allowable Cost and Payment" of this contract shall be due 30 calendar days after the Contracting Officer approves the "completion invoice" for payment.

G.16.c. Payment shall be authorized after the Division of Accounting has audited the invoice in accordance with the Federal Regulations. This audit includes verification that the invoice contains the rates/unit prices indicated in the contract. Any discrepancies determined as a result of the audit could delay the processing of the invoice and may result in the invoice being returned to the Contractor for correction. Inquiries relating to payments shall be directed to the Chief, Payment Management Branch, (410) 786-9415.

#### G.17. INVOICE AND NOTIFICATION PER LIMITATION OF FUNDS/ COST CLAUSES

The invoice in no way changes the notification requirements of the Limitation of Funds/Cost clauses of this contract, nor does submission of the report constitute notice as required by the Limitation of Funds/Cost clauses. The notice to the Contracting Officer required by the Limitation of Funds/Cost clauses is required as a separate notice in accordance with the provisions of said clauses.

#### G.18. ELECTRONIC PAYMENT OF INVOICES

G.18.a. Payment under this contract will be made by the Government by electronic funds transfer through the Automated Clearing House (ACH). For payment through ACH, see Section J, Exhibit 22 for the appropriate payment information and financial institution.

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G.18.b. In the event the Contractor, during the performance of this contract, elects to designate a different financial institution for the receipt of any payment made using electronic funds transfer procedures; or a different method of payment, notification of such change and the required information must be received by the appropriate Government official 30 days prior to the date such change is to become effective.

G.18.c. The documents furnishing the information must be dated and contain the signature, title, and telephone number of the Contractor's official authorized to provide it, as well as the Contractor's name and contract number.

G.18.d. Any changes shall be furnished to:

Health Care Financing Administration  
Division of Accounting  
Chief, Payment Management Branch  
Mail Stop C3-07-29  
7500 Security Boulevard,  
Baltimore, Maryland 21244-1850

It is the Contractor's responsibility to furnish the changes promptly to avoid payment to erroneous addresses or bank accounts, or delays in payments otherwise properly due.

#### G.19. INDIRECT COST-PROVISIONAL RATES

G.19.a. Pursuant to the provisions of FAR 52.216-07 entitled, "Allowable Cost and Payment," the allowable Indirect Costs under this contract shall be obtained by applying the final rates or rates negotiated to the appropriate bases. The period or periods for which such rates will be established shall correspond to the contractor's fiscal year(s). The final rate proposal shall be submitted to the Contracting Officer in writing. In the event that the final rate proposal is submitted to the cognizant audit agency, the MTS Contractor shall advise the Contracting Officer in writing when and to whom it was submitted.

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G.19.b. Pending establishment of final rates for any period, provisional reimbursement will be made on the basis of the provisional rates shown below. To prevent substantial over or under payment, and to apply either retroactively or prospectively, provisional rates may, at the request of either party, be revised by mutual agreement.

<u>Type</u>	<u>Cost Center</u>	<u>Period</u>	<u>Rate</u>	<u>Base</u>
-------------	--------------------	---------------	-------------	-------------

Provisional	Overhead	(a)
Provisional	G & A	(b)

Notes: (a) applied to; (b) applied to

## G.20. AUDIT OF HOURS

G.20.a. In addition to the examination of costs, as detailed in FAR 52.215-2 entitled, "Audit-Negotiation," the Contracting Officer or his representative will have the right to examine all books, records, documents, and other data of the Contractor relating to this contract for the purpose of evaluating the accuracy and completeness of the hours which the Contractor has recorded on its invoice as expended toward satisfaction of the requirements of this contract.

G.20.b. The materials described above shall be available at the office of the Contractor at all reasonable times for inspection, audit, or reproduction until:

- (1) the expiration of three (3) years from the date of final payment under this contract;
- (2) the expiration of three (3) years from the date of final settlement resulting from a termination or a partial termination of this contract.

## G.21. OPTION TO EXTEND THE TERM OF THE CONTRACT

G.21.a. At the option of the Government, this contract may be extended for up to two (2) one-year option periods. The option periods shall be extended by the Contracting Officer's issuance of a written notice of intent to the Contractor; provided, that the written notice of intent to exercise the option is issued at least 90 days before the period of performance expires. The preliminary notification of intent does not commit the Government to exercising the option. A unilateral modification will formally authorize exercise of the option period.

G.21.b. In the event that the Government determines not to extend the contract beyond the initial sixty (60) month term, or beyond an option period, the Government shall have the right

to extend the contract on a month-to-month basis for up to six (6) months after the end of the initial term or option period, in order to facilitate a smooth transition to a new Contractor. The intent to extend on a month-to-month basis shall be by written notice from the Contracting Officer, issued at least thirty (30) days prior to the month or months for which the contract will be extended. Should the Contractor be replaced by a successor contractor, the Contractor shall cooperate to effect an orderly and efficient transition to any successor contractor during the transition period.

G.21.c. The total duration of this contract, including the exercise of any option period or month-to-month extension under this section, shall not exceed ninety (90) months.

G.21.d. The ability of the Government to exercise any option for extension of the term of contract performance is subject to the "Availability of Funds" clause in this contract.

G.21.e. In the event that any option is exercised, or that the contract is extended on a month-to-month basis, all terms and conditions stated in this contract shall remain in effect, except for the following:

- (1) That part of Section B.3.a reading, "...through (contract end)," is hereby changed to read, "...through (new contract end date)."
- (2) Section B.4 is hereby revised to read as follows:

The total estimated cost of this contract, as modified, is increased by \$ \_\_\_\_\_, from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

The total base fee of this contract, as modified, is increased by \$ \_\_\_\_\_, from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

The total award fee pool available under this contract, as modified, is increased by \$ \_\_\_\_\_, from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

The total estimated cost plus the base fee and maximum award fee of this contract, as modified, is increased by \$ \_\_\_\_\_, from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

## G.22. TRAVEL COSTS

G.22.a. Cost incurred for lodging, meals and incidental expenses shall be reimbursed upon a determination that they are considered to be allowable, allocable, and reasonable, and that they do not exceed on a daily basis the maximum per diem rates in effect at the time of travel as set forth in the Federal Travel Regulations, (GPO Stock No. 022-001-81003-7), including all revisions to the regulations as published in the Federal Register.

G.22.b. Reservations for transportation by public carrier may be obtained through local travel agencies or through the Health Care Financing Administration's contract travel agency, American Express Travel Related Services Company, Inc. This agency will try to obtain the lowest available fare consistent with Federal Travel Regulations. In most cases, Government rates are not available to cost reimbursement contractors. Should American Express be chosen to make travel arrangements, they may be contacted at 1-800-735-3124, between 8:00 a.m. and 6:00 p.m. (EST/EDT) Monday through Friday. Federal reimbursement may be applied toward a more costly fare; however, reimbursement will be limited to coach class fare. Payment for airline tickets will be made by providing a credit card number to American Express.

G.22.c. The Government will reimburse for airport limousine or taxi service. Expenses must be itemized and receipts obtained. When a privately owned vehicle (POV) is used for transportation from home to a transportation terminal, round trip reimbursement will be made at the rate of 30 cents per mile, plus parking fees (receipts for parking fees are required).

G.22.d. If reservations for common carrier transportation are made through American Express Travel Related Services Company, Inc., reservations for hotel accommodations may also be made through American Express. American Express is familiar with authorized Federal per diem rates for each city and will offer assistance in locating lodging within the prescribed rates. Federal Travel Regulations prescribe the maximum amount that will be reimbursed for lodging expenses. Lodging will be reimbursed at the actual cost, not exceeding the maximum amount allowable. Receipts are required for all lodging costs.

G.22.e. Federal Travel Regulations prescribe that meals and incidental expenses (M&IE) be reimbursed not exceeding the maximum rate a day depending on the city. Meals and incidental expenses are calculated under the quarter day concept for the first and last days of travel. The day will be divided into 6-hour periods starting with 12:01 a.m. with allowable reimbursement being prorated accordingly. If the city being visited is not listed in the Federal Travel Regulations as a high rate area, the standard CONUS (the conterminous United States) rate of \$66 (\$40 lodging and \$26 M&IE) will be used for reimbursement purposes.



### G.23. SERVICE OF CONSULTANTS

G.23.a. Except as may otherwise be expressly provided elsewhere in this contract, prior written approval of the Contracting Officer for utilization of consultants shall be required. Whenever Contracting Officer approval is required, the Contractor shall furnish to the Contracting Officer information concerning the need for such consultant services and the reasonableness of the fees to be paid to any consultants.

G.23.b. For utilization of the services of any consultants under this contract, the Contractor shall be reimbursed in accordance with the rate(s) set forth below.

Name

Rate

[To be Completed Upon Award ]

### G.24. SUBCONTRACTING PROGRAM FOR SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS

This contract is subject to the current requirements of Public Law 95-507, and the Contractor hereby agrees to implement the conditions of the subcontracting plan submitted in response to this

RFP and approved by the Contracting Officer for this contract. The Contractor is required to submit a Small Business and a Small Disadvantaged Business Subcontracting Plan with its proposal in accordance with the sample in Section J, Exhibit 23.

### G.25. SUBCONTRACTING PLAN REPORTS

G.25.a. The Contractor shall submit to the Contracting Officer a report of subcontracting awards to small business concerns, small disadvantaged business concerns, and woman-owned business concerns, in accordance with SF 294, "Subcontracting Report for Individual Contracts" and SF 295, "Summary Subcontracting Report" to the Contracting Officer. The Contractor shall also submit copies of SF 294 and SF 295 reports received from subcontractors. (See Section J, Exhibits 24 and 25 for SF 294 and SF 295).

G.25.b. The two reports shall be submitted in accordance with the following schedule:

<u>Reporting Period</u>	<u>Report</u>	<u>Due Date</u>
Oct 1 - Mar 30	SF 294	Apr 30
Apr 1 - Sep 30	SF 294	Oct 30
Oct 1 - Sep 30	SF 295	Oct 30

G.25.c. Copies of the reports shall be addressed as follows:

<u>Distribution</u>	<u>Addressee</u>
1 original	Contracting Officer
1 copy	Heath Care Financing Administration Small and Disadvantaged Business Utilization Representative Office of Acquisition and Grants Mail Stop C2-21-15 7500 Security Boulevard Baltimore, Maryland 21244-1850

## G.26. FINANCIAL ADMINISTRATION REQUIREMENTS

G.26.a. The Government's obligation under this contract is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government may arise until the Contractor receives written notice from the Government that funds have been obligated for the contract.

G.26.b. The Government may require that the Contractor submit to HCFA, at such time and in such form as the Government may determine, an annual Spending Request projecting its estimated administrative costs for the fiscal year in response to the Budget Guidance received from the Government. The Spending Request, if required, shall be consistent with the Contractor's Proposal and the contract.

G.26.c. The Government and the Contractor shall negotiate the amount of the Annual Spending Plan, and supplements thereto, based on the contract, the Contractor's Proposal, the Budget Guidance and the Spending Request. After such negotiations, and any supplements thereto, the Government shall issue an approved Annual Spending Plan, or such other similar document as

shall be deemed appropriate by the Government, hereinafter referred to as the Plan. Funds may be issued on a less than annual basis when a full year appropriation is not available.

G.26.d. The Plan shall specify the amount available to the contract for the budget period. The Plan, for the purpose of obligating funds by the Government, shall be a ceiling on reimbursable expenditures which may not be exceeded by the Contractor.

G.26.e The Contractor shall operate in an economic and efficient manner. The Contractor shall report and control costs to the Plan on a project or activity level basis and, for projects with identifiable and discrete workloads, costs should be controlled and reasonable on a per unit basis. The Government may also set performance limitations on the use and transfer of funds among designated projects/activities as set forth in the General Instructions.

G.26.f After the end of each month, the Contractor shall prepare and submit to the Government a Monthly Spending Report (MSR), in such form and at such time as the Government shall designate in the General Instructions. The Contractor shall report costs on a project/activity basis as described in this RFP and in such General Instructions as shall be issued by the Government. The Contractor shall also report on material variances from the Plan as required by the Government in accordance with the General Instructions. The Contractor is expected to submit each MSR on a timely basis and to accurately report costs as accumulated in the Contractor's budget and/or cost accounting system(s). See Section J, Exhibit 15 for details on how to submit financial reports to HCFA.

G.26.g. The Contractor shall submit an SF-1034, Public Voucher to HCFA, to claims reimbursement. The information submitted on the MSR must agree with the total costs submitted on the SF-1034 on a cumulative basis. Any discrepancies between overall costs submitted on the SF-1034 and costs reflected on the MSR could delay the processing of the SF-1034 and may result in the SF-1034 being returned to the Contractor for correction.

G.26.h. To prepare the MSR, the Contractor shall maintain a cost accounting system and such other systems as may be required to report costs and related performance in the manner prescribed by the Government. The Contractor, at a minimum, shall:

- (1) Maintain cost schedules addressing all aspects of work performed as described in the statement of work.

(2) Utilize, and require subcontractors to utilize, a comprehensive cost/schedule control system based on suitable practices for managing large system projects. The system(s) shall provide an adequate capability for assessing project cost and schedule status, forecasting estimates-at-completion based on performance to date and knowledgeable projections of future performance, and reporting results to the Government. The Contractor shall report costs incurred and progress made against the schedule for each project.

(3) Account for and report costs on activities or projects with discrete, identifiable workloads whenever possible, minimizing the use of "level of effort" activities. Such "workloads" may include: transactional level activities; operations and services such as mass storage, computing time/memory/peripherals, network use, pages printed, on-line access time, special services and/or equipment and; other identifiable units.

(4) Justify to the Government the use of "level of effort" activities and control these activities by time-phased budgets and accounting.

(5) Maintain a system which identifies and allocates all costs (direct, indirect, overhead and general and administrative costs) to each activity, project, function, system, procedure or task. Such costs include, but are not limited to: personnel; furniture and equipment; subcontracts; telecommunications linkages and protocols; ADP resource utilization and charges; computer system and application software; other costs material to the particular activity or project.

G.26.i. The Contractor, as soon as possible, but not later than 3 months after the close of the budget period, shall submit to the Government a Year-End Spending Report (YSR), including supporting data, of the allowable costs incurred by it during the budget period. Once received, the YSR will be considered the final, maximum allowable claimed costs for the budget period.

## PART I

## SECTION H - SPECIAL CONTRACT REQUIREMENTS

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## H.1. PROCUREMENT OF ALL MATERIALS, DATA AND SERVICES

The Contractor shall provide all facilities, hardware, software, equipment, and related supplies/ services required for performance under the terms of this contract, except as otherwise stated in this RFP or listed below in H.2.a. All facilities, hardware, software, equipment and related supplies/services required for performance under this contract, except items listed in Section H.2 below, shall be Contractor owned and Contractor operated (COCO). The provisions of FAR clause 52.245-5, entitled "Government Property," shall not be applicable to facilities, hardware, software, equipment, and related supplies/services that are not specifically identified in Section H.2.a.

## H.2. GOVERNMENT FURNISHED PROPERTY (GFP)

H.2.a The Government will provide the following item(s) of Government Property to the Contractor for use in the performance of this contract. The property shall be used and maintained by the Contractor in accordance with the FAR clause 52.245-5, entitled, "Government Property":

<u>Item/Description</u>	<u>Quantity</u>	<u>Schedule</u>
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[To Be Provided At Time Of Award]

H.2.b. It is understood and agreed that title to all such property shall be vested in the Government.

H.2.c. The Contractor shall be responsible and accountable for any Government property provided or acquired under this contract. During the contract life, the Contractor shall follow the procedures in the FAR Part 45.5 entitled, "Management of Government Property in the Possession of Contractors." At the conclusion of this contract, the Contractor shall, according to the FAR 45.508-1, conduct a physical inventory of all property prior to completing the transfer of all Government-owned equipment to the HCFA Property Administrator.

H.2.d. The Contractor assumes full responsibility for and shall indemnify the Government for any and all loss or damage of whatsoever kind and nature to any and all Government property, including any equipment, supplies, accessories, software packages or parts furnished while in its

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custody and care for storage, repairs, or services to be performed under the terms of this contract, resulting in whole or in part from the negligent acts or omissions of the Contractor, any subcontractor, or any employees, agent, or representative of the Contractor or subcontractor.

## H.3. SOFTWARE MADE AVAILABLE FOR CONTRACTOR USE

H.3.a. The Government may, from time to time, make certain software acquired under license from other contractors available to the Contractor for its use in the performance of this contract.



H.3.b. The Contractor recognizes and acknowledges that such software or data contained therein may be proprietary and confidential to a third party.

H.3.c. The Contractor agrees that it and its employees will not use, copy, disclose, modify, or reverse engineer such software except as permitted by the license and any other terms and conditions under which the software is made available to the Contractor.

H.3.d. The Contractor is not authorized to violate any software licensing agreement. If, at any time during the performance of this contract, the Contractor has reason to believe that its utilization of Government-furnished software may involve or result in a violation of HCFA's licensing agreement, the Contractor shall promptly notify the Contracting Officer, in writing, of the pertinent facts and circumstances. Pending direction from the Contracting Officer, the Contractor shall continue to perform to the fullest extent possible without utilizing the software in question.

#### H.4. DAMAGE TO GOVERNMENT PROPERTY

Nothing in the above paragraphs will preclude the Government from receiving the benefits of any insurance the Contractor may carry which provides for indemnification for any loss or destruction

of, or damage to, Government property in the custody and care of the Contractor. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for any loss, destruction of, or damage to Government property, and upon the request of the Contracting Officer shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation including assistance in the prosecution of suit and execution of instruments of assignment in favor of the Government in obtaining recovery.

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#### H.5. CONTRACTOR LIABILITY

In no event shall the Contractor hold the Government liable or responsible for any claims or costs of whatever kind and nature for injury to or death of any person or persons; or for loss or damage to any property occurring in connection with or in any way incident to or arising out of the

occupancy, use, service, operations, or performance of work under this contract, resulting in whole or in part from the negligent acts or omissions of the Contractor and subcontractor or any employee, agent or representative of the Contractor or subcontractor.

## H.6. LIMITED USE OF DATA AND INFORMATION

H.6.a. Performance of this contract may require the Contractor to access and use data and information proprietary to a Government agency or Government contractor which is of such a nature that its dissemination or use, other than in performance of this contract, would be adverse to the interests of the Government and/or others.

H.6.b. The Contractor and/or Contractor personnel shall not divulge or release data or information developed or obtained in performance of this contract, except to authorized Government personnel or upon written approval of the Contracting Officer.

H.6.c. The Contractor shall not use, disclose, or reproduce proprietary data which bears a restrictive legend, other than as required in the performance of this contract. Nothing herein shall preclude the use of any data independently acquired by the Contractor without such limitations

## H.7. RIGHTS IN DATA

All items produced under this contract shall become the exclusive property of the government which may make, without any recourse to the Contractor, any use thereof as it may see fit. Furthermore, the government shall have the right to review and copy any documentation accumulated and developed by the Contractor in performance of this contract. The Contractor may not publish or distribute the reports, data, or other related material produced or developed under this contract.

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## H.8. CONFIDENTIALITY OF INFORMATION

H.8.a. Confidential information, as used in this clause, means (1) information or data of a personal nature about an individual, or (2) proprietary information or data submitted by or pertaining to an institution or organization.

H.8.b. In addition to the types of confidential information described in H.8.a. above, information which might require special consideration with regard to timing of its disclosure

may derive from studies or research, during which public disclosure of preliminary invalidated finding could create erroneous conclusions which might threaten public health or safety if acted upon.

H.8.c. The Contracting Officer and the Contractor may, by mutual consent, identify elsewhere in this contract specific information and/or categories of information which the Government will furnish to the Contractor or that the Contractor is expected to generate which is confidential. Similarly, the Contracting Officer and the Contractor may, by mutual consent, identify such confidential information from time to time during the performance of the contract. Failure to agree will be settled pursuant to the "Disputes" clause.

H.8.d. If it is established elsewhere in this contract that information to be utilized under this contract, or a portion thereof, is subject to the Privacy Act, the Contractor will follow the rules and procedures of disclosure set forth in the Privacy Act of 1974, 5 U.S.C. 552a, and implementing regulations and policies, with respect to systems of records determined to be subject to the Privacy Act.

H.8.e. Confidential information, as defined in H.8.a. (1) and (2) above shall not be disclosed without the prior written consent of the individual, institution, or organization.

H.8.f. Written advance notice of at least 45 days will be provided to the Contracting Officer of the Contractor's intent to release finding of studies or research, which have the possibility of adverse effects on the public or the Federal agency, as described in H.8.b. above. If the Contracting Officer does not pose any objections in writing within the 45 day period, the Contractor may proceed with disclosure. Disagreements not resolved by the Contractor and the Contracting Officer will be settled pursuant to the "Disputes" clause.

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H.8.g. Whenever the Contractor is uncertain with regard to the proper handling of material under the contract, or if the material in question is subject to the Privacy Act or is confidential information subject to the provisions of this clause, the Contractor should obtain a written determination from the Contracting Officer prior to any release, disclosure, dissemination, or publication.

H.8.h. Contracting Officer determinations will reflect the results of internal coordination with appropriate program and legal officials.

H.8.i. The provisions of paragraph H.8.e. of this clause shall not apply when the information is subject to conflicting or overlapping provisions in other Federal, State or local laws.

## H.9. PRIVACY ACT

The Privacy Act of 1974, P.L. 93-579, and the Regulations and General Instructions issued by the Secretary pursuant thereto, are applicable to this contract, and to all subcontracts thereunder to the extent that the design, development, operation or maintenance of a system of records as defined in the Privacy Act is involved.

## H.10. DISCLOSURE OF INFORMATION

The following clause shall be included in all subcontracts entered into for the performance of functions required for the administration of this agreement or where a subcontractor, its agents, officers or employees might reasonably be expected to have access to information within the purview of section 1106 of the Social Security Act, as amended, and regulations prescribed pursuant thereto:

"The Contractor agrees to establish and maintain procedures and controls so that no information contained in its records or obtained from the Secretary of Health and Human Services or from others in carrying out the terms of this subcontract shall be used by or disclosed by it, its agents, officers, or employees except as provided in the said section 1106 of the Social Security Act, as amended, and regulations prescribed thereunder."

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## H.11. CONDITIONS FOR PERFORMANCE

H.11.a. In addition to the performance requirements of this contract as set forth under Section C, Description/Specifications/Work Statement, the contract may require modification to comply with the requirements of new legislation or regulations which may be enacted or

implemented during any phase of this contract, and which would be directly applicable to the performance requirements of this contract.

H.11.b. In the event that additional activities are required, the Contracting Officer may afford the Contractor an opportunity to consult and participate in negotiations which may be necessary to effect the contract modification.

## H.12. PAPERWORK REDUCTION ACT

H.12.a. In the event that it subsequently becomes a contractual requirement to collect or record information calling either for answers to identical questions from ten (10) or more persons other than Federal employees, or information from Federal employees which is outside the scope of their employment, for use by the Federal Government or disclosure to third parties, the Paperwork Reduction Act of 1980 (Public Law 96-511) shall apply to this contract. No plan, questionnaire, interview guide or other similar device for collecting information (whether repetitive or single-time) may be used without first obtaining clearance from the Assistant

Secretary for Management and Budget (ASMB) within the Department of Health and Human Services (HHS) and the Office of Management and Budget (OMB). Contractors and POs should be guided by the provisions of 5 CFR 1320, Controlling Paperwork Burdens on the Public, and seek the advice of the HHS operating division of the Office of the Secretary, Reports Clearance Officer, to determine the procedures for acquiring ASMB and OMB clearance.

H.12.b. The Contractor shall obtain the required ASMB and OMB clearance through the PO before expending any funds or making public contacts for the collection data. The authority to expend funds and proceed with the collection of information shall be in writing by the Contracting Officer. The Contractor must plan at least 120 days for ASMB and OMB clearance.

H.12.c. Excessive delay caused by the Government which arises out of causes beyond the control and without the fault or negligence of the Contractor will be considered in accordance with the "Excusable Delay" or "Termination" clause of this contract.

## H.13. TECHNOLOGY ENHANCEMENT

H.13.a. During the term of this contract, new products and/or new technologies may become available that were not available at the time of award, that would offer significant advantages to the Government in terms of economy, efficiency, quality and mission effectiveness. It is in the Government's interest to take advantage of such new technology. Therefore, the Contractor is encouraged to develop, prepare and submit technology enhancement change proposals (TECPs) on a voluntary basis when appropriate.

H.13.b. Such TECPs should be submitted in accordance with the provisions of FAR 52.248-1 entitled, "Value Engineering (March 1989)." The Contractor shall share in any net acquisition savings realized from accepted TECPs in accordance with the provisions of FAR clause 52.248-1.

#### H.14. CONTRACTOR REPRESENTATION

H.14.a. The Contractor represents that in its opinion, the methodology/system it proposes is capable of meeting the Government's requirements.

H.14.b. Any written commitment by the Contractor within the scope of this contract shall be binding upon the Contractor. For the purpose of this contract, a written commitment by the Contractor is defined as:

- (1) the proposal submitted by the Contractor, and specific written modifications to the proposal;
- (2) any warranty or representation made by the Contractor in a proposal as to hardware or software performance; total systems characteristics of a machine, software package, or system, or installation data;
- (3) any warranty or representation made by the Contractor concerning the characteristics of items described in H.14.b.(2) above made in any publications, drawings, or specifications accompanying or referred to in a proposal;

## H.15. WARRANTY AGAINST DUAL COMPENSATION

H.15.a. The Contractor warrants that no part of the total contract amount provided herein shall be paid, directly or indirectly, to any officer or employee of the Department of Health and Human Services, as wages, compensation, or gifts for acting as officer, employee or consultant to the Contractor in connection with any work contemplated or performed under, or in connection with, this contract.

H.15.b. If the Contractor is involved in two or more projects, at least one which is supported by Government funds, it may not be compensated for more than 100 percent of its time during any part of the period of dual involvement.

## H.16. MONITORING

The Contractor shall be subject to periodic contract performance review as may be deemed necessary by the Contracting Officer or the Project Officer as his/her designee. The Contractor shall make its records and facilities available to the Contracting Officer for purposes of such monitoring of contract performance.

## H.17. GOVERNMENT-CONTRACTOR EMPLOYEE RELATIONSHIP

There may be occasions where HCFA will assist the Contractor in tasks requiring HCFA personnel participation during the term of this contract, through the coordination of the PO on a task-by-task basis. However, there shall be no intermingling of Contractor and HCFA employees in which HCFA exerts supervisory authority over Contractor employees or vice-versa such that an employer-employee relationship would be created.

## H.18. ORGANIZATIONAL CONFLICTS OF INTEREST

H.18.a. Purpose. The primary purpose of this clause is to aid in ensuring that the Contractor: (1) does not obtain any unfair competitive advantage over other parties by virtue of its performance of this contract; and (2) is not biased because of its current or planned interest (financial, organizational, or otherwise) which relate to the work under this contract.

H.18.b. Scope. The restrictions described herein shall apply to performance or participation by the Contractor and any of its affiliate organizations or their successors in interest (hereinafter collectively referred to as "Contractor") in the activities covered by this clause as a prime contractor, subcontractor, co-sponsor, joint venturer, consultant, or in any similar capacity.

(1) Advisory, consulting, analytical, evaluation, or study work, including the preparation of statements of work and specifications:

(i) The Contractor performs advisory, consulting, analytical, evaluation, study, or similar work under this contract, it shall be ineligible thereafter to participate in any capacity in Government contractual efforts (solicited or unsolicited) which stem directly from such work, and the Contractor agrees not to perform similar work for prospective offerors with respect to any such contractual efforts.

(ii) Furthermore, unless so directed in writing by the Contracting Officer, the Contractor shall not perform any such work under this contract on any of its products or services, or the products or services of another firm for which the Contractor performs similar work. Nothing in this subparagraph shall preclude the Contractor from competing for HHS management and technical support services follow-on contracts as defined in paragraph (6) below.

(iii) If the Contractor under this contract assists substantially in the preparation of a statement of work or specifications, the Contractor shall be ineligible to perform or participate in any capacity in any contractual effort which is based on such statement of work or specifications. The Contractor shall not incorporate its products or services in such statement of work or specifications unless so directed in writing by the Contracting Officer, in which case the restriction in this subparagraph shall not apply.

(2) Access to the use of information:

(i) If the Contractor in the performance of this contract obtains access to information, such as HHS plans, policies, reports, studies, financial plans, or data which has not been released to the public, the Contractor agrees not to:

- use such information for any private purpose unless the information has been released to the public;



- disclose such information for a period of six (6) months after the completion of this contract, or the release of such information to the public, whichever is first;
- submit an unsolicited proposal to the Government which is based on such information until one (1) year after the release of such information to the public; or
- release such information without prior written approval by the Contracting Office.

(ii) In addition, the Contractor agrees that to the extent it receives or is given access to proprietary data or other confidential technical, business or financial information under this contract, it shall treat such information in accordance with any restrictions imposed on such information.

(iii) The Contractor shall have, subject to patent and security provisions of this contract, the right to use technical data it first produces under this contract for its private purposes provided that, as of the date of such use, all data requirements of this contract have been met.

(3) Subcontracts. The Contractor shall include this clause, including this paragraph, in subcontracts of any tier which involve performance of work of the type specified in b.(1) or access to information covered in b.(2) above. The use of this clause in such subcontracts shall be read by substituting the word "subcontractor" for the word "contractor" whenever the word "contractor" appears.

(4) Remedies. For breach of the above restrictions or for nondisclosure or misrepresentation of any relevant interest required to be disclosed concerning this contract, the Government may, at no cost, terminate the contract, disqualify the Contractor for subsequent related contractual efforts, and pursue other remedies as may be permitted by law of this contract.

(5) Waiver. Any request for waiver under this clause shall be directed in writing to the Contracting Officer and shall include a full description of the requested waiver and the reasons in support thereof. If it is determined to be in the best interest of the Government, the Contracting Officer shall grant such waiver in writing.

(6) Definitions. The term "management and technical support services" includes any advice, assistance, analysis, consultation, evaluation, examination, report, review, study, survey, or similar assistance, including providing assistance in procurement and related activities, to support any program or their operations of HCFA.

#### H.19. ADMINISTRATION OF SUBCONTRACTS

H.19.a. As required by FAR clause no. 52.244-2 entitled, "Subcontracts (Cost Reimbursement and Letter Contracts)," the Contractor agrees that any subcontract proposed under this contract must have prior consent or approval by the Government (HCFA). Unless the consent or approval specifically provides otherwise, consent by the Contracting Officer to any subcontract shall not relieve the Contractor of any responsibility for performing this contract.

H.19.b. The Contractor shall include in any subcontract issued under this contract all required and appropriate terms, conditions and FAR clauses contained in this contract.

#### H.20. ADP SYSTEMS SECURITY REQUIREMENTS

The Contractor agrees to comply with the ADP system security and/or privacy specifications set forth in the Section C, Description/Specifications/Work Statement, applicable portions of Part 6, ADP Systems Security, of the HHS IRM Manual, and OMB Bulletin 90-08 (July, 1990) as cited in FIRMR 201-39.1001-1(i). The Contractor further agrees to include this provision in any subcontract awarded pursuant to this prime contract.

#### H.21. PROHIBITION AGAINST THE USE OF HHS FUNDS TO PAY FOR COSTS OF INFLUENCING LEGISLATION

No part of any funds under this contract shall be used to pay the salary or expenses of any Contractor, or agent acting for the Contractor, to engage in any activity designed to influence legislation or appropriations pending before the Congress.

## PART II

### SECTION I - CONTRACT CLAUSES

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I.1. FAR 52.252-2 CONTRACT CLAUSES INCORPORATED BY REFERENCE  
(JUN 1988)

This contract incorporates the following clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

<u>Clause No.</u>	<u>Clause Title</u>	<u>Date</u>
FAR 52.203-1	Officials Not to Benefit	(Apr 1984)
FAR 52.203-3	Gratuities	(Apr 1984)
FAR 52.203-5	Covenant Against Contingent Fees	(Apr 1984)
FAR 52.203-6	Restrictions on Subcontractor Sales to the Government	(Jul 1995)
FAR 52.203-7	Anti-Kickback Procedures	(Jul 1995)
FAR 52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	(Sep 1990)
FAR 52.203-12	Limitation on Payments to Influence Certain Federal Transactions	(Jan 1990)
FAR 52.203-13	Procurement Integrity-Service Contracting	(Sep 1990)
FAR 52.204-4	Printing/Copying Double-Sided on Recycled Paper	(May 1995)
FAR 52.209-6	Protecting the Government's Interest When	(Jul 1995)

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	Subcontracting with Contractor Debarred, Suspended, Or Proposed for Debarment	
FAR 52.215-2	Audit-Negotiation	(Jul 1995)
FAR 52.215-22	Price Reduction for Defective Cost or Pricing Data	(Jan 1991)
FAR 52.215-23	Price Reduction for Defective Cost or Pricing Data - Modifications	(Dec 1994)
FAR 52.215-24	Subcontract Cost or Pricing Data	(Dec 1994)
FAR 52.215-25	Subcontract Cost or Pricing Data - Modifications	(Dec 1994)
FAR 52.215-27	Termination of Defined Benefit Pension Plans	(Sep 1989)
FAR 52.215-31	Waiver of Facilities Capital Cost of Money	(Sept 1987)
FAR 52.215-33	Order of Precedence	(Jan 1986)
FAR 52.215-39	Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB)	(Feb 1995)
FAR 52.215.40	Notification of Ownership Changes	(Feb 1995)
FAR 52.215-43	Audit-Commercial Items	(Oct 1995)
FAR 52.216-7	Allowable Cost and Payment	(Jul 1991)
FAR 52.217-8	Option to Extend Services	(Aug 1989)

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FAR 52.219-8	Utilization of Small, Small Disadvantaged and Women- Owned Small Business Concerns	(Oct 1995)
FAR 52.219-9	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan	(Oct 1995)
FAR 52.219-16	Liquidated Damages-Small Business Subcontracting Plan	(Oct 1995)
FAR 52.222-1	Notice to the Government of Labor Disputes	(Apr 1984)
FAR 52.222-2	Payment for Overtime Premiums (\$0.00)	(Jul 1990)
FAR 52.222-3	Convict Labor	(Apr 1984)
FAR 52.222-4	Contract Work Hours and Safety Standards Act-- Overtime Compensation	(Mar 1986)
FAR 52.222-26	Equal Opportunity	(Apr 1984)
FAR 52.222-28	Equal Opportunity Preaward Clearance of Subcontracts	(Apr 1984)
FAR 52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans	(Apr 1984)
FAR 52.222-36	Affirmative Action for Handicapped Workers	(Apr 1984)

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FAR 52.222-37	Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era	(Jan 1988)
FAR 52.223-2	Clean Air and Water	(Apr 1984)
FAR 52.223-6	Drug-Free Workplace	(Jul 1990)
FAR 52.224-1	Privacy Act Notification	(Apr 1984)
FAR 52.224-2	Privacy Act	(Apr 1984)
FAR 52.225-3	Buy American Act-Supplies	(Jan 1994)
FAR 52.225-11	Restrictions on Certain Foreign Purchases	(May 1992)
FAR 52.227-1	Authorization and Consent	(Jul 1995)
FAR 52.227-3	Patent Indemnity (Alternate I)	(Apr 1984)
FAR 52.227-14	Rights in Data General (Alternates II, III, and V)	(Jun 1987)
FAR 52.227-17	Rights in Data-Special Works	(Jun 1987)
FAR 52.227-23	Rights to Proposal Data (Technical)	(Jun 1987)
FAR 52.230-2	Cost Accounting Standards	(Aug 1992)
FAR 52.230-4	Consistency in Cost Accounting Practices	(Aug 1992)
FAR 52.232-9	Limitation on Withholding of Payments	(Apr 1984)
FAR 52.232-17	Interest	(Jan 1991)
FAR 52.232-20	Limitation of Cost	(Apr 1984)
FAR 52.232-23	Assignment of Claims	(Jan 1986)
FAR 52.232-25	Prompt Payment	(Mar 1994)
FAR 52.233-1	Disputes	(Mar 1994)
FAR 52.237-3	Continuity of Services	(Jan 1991)
FAR 52.242-1	Notice of Intent to Disallow Costs	(Apr 1984)

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FAR 52.242-2	Production Progress Reports	(Apr 1991)
FAR 52.242-3	Penalties for Unallowable Costs	(Oct 1995)
FAR 52.242-13	Bankruptcy	(Jul 1995)
FAR 52.244-2	Subcontracts (Cost-Reimbursement and Letter Contracts	(Feb 1995)
FAR 52.244-5	Competition in Subcontracting	(Apr 1984)
FAR 52.245-1	Property Records	(Apr 1984)
FAR 52.246-25	Limitation of Liability-Services	(Apr 1984)
FAR 52.248-1	Value Engineering	(Mar 1989)
FAR 52.249-14	Excusable Delays	(Apr 1984)
FAR 52.249-6	Termination (Cost Reimbursement)	(May 1986)

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## I.2. HHSAR CLAUSES INCORPORATED BY REFERENCE

This contract incorporates the following Health and Human Services Acquisition Regulation (HHSAR) clauses by reference (352.252-20), with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

<u>Clause No.</u>	<u>Clause Title</u>	<u>Date</u>
HHSAR 352.202-1	Definitions (Alt I)	(Apr 1984)
HHSAR 352.224-70	Confidentiality of Information	(Apr 1984)
HHSAR 352-228-7	Insurance-Liability to Third Persons	(Dec 1991)
HHSAR 352-232-75	Incremental Funding	(Apr 1984)
HHSAR 352.233-70	Litigation and Claims	(Apr 1984)
HHSAR 352.242-71	Final Decisions on Audit Findings	(Apr 1984)
HHSAR 352.249-14	Excusable Delays	(Apr 1984)
HHSAR 352.270-1	Accessibility of Meetings, Conferences and Seminars to Persons with Disabilities	(Apr 1984)
HHSAR 352.270-5	Key Personnel	(Apr 1984)
HHSAR 352.270-7	Paperwork Reduction Act	(Apr 1984)

## I.3. FIRMR CLAUSES INCORPORATED BY REFERENCE

This contract incorporates the following Federal Information Resources Management Regulation (FIRMR) clauses by reference, with the same force and effect as if they were



given in full text. Upon request, the Contracting Officer will make their full text available.

<u>Clause No.</u>	<u>Clause Title</u>	<u>Date</u>
FIRMR 201-39.5202-6	Warranty Exclusion and Limitation of Damages	(Oct 1990)
FIRMR Bulletin C-31	Use of Metric Measures in FIP Acquisitions	(Jan 1992)

#### I.4. FAR CLAUSES INCORPORATED IN FULL TEXT

This contract incorporates the FAR clauses found in I.5 through I.17 in full text.

#### I.5. FAR 52.233-3 PROTEST AFTER AWARD (ALTERNATE I) (AUG 1989) (COST REIMBURSEMENT)

(a) Upon receipt of a notice of protest (as defined in 33.101 of the FAR), the Contracting Officer may, by written order to the Contractor, direct the Contractor to stop performance of the work called for by this contract. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Upon receipt of the final decision in the protest, the Contracting Officer shall either-

- (1) Cancel the stop-work order; or
- (2) Terminate the work covered by the order as provided in the Termination clause of this contract.

(b) If a stop-work order issued under this clause is canceled either before or after a final decision in the protest, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule, the estimated cost, the fee, or a combination thereof, and in any other terms of the contract that may be affected, and the contract shall be modified, in writing, accordingly, if -

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- (1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this contract; and
  - (2) The Contractor asserts its right to an adjustment within 30 days after the end of the period of work stoppage; provided, that if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon a proposal submitted at any time before final payment under this contract.
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- (c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.
- (d) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.
- (e) The Government's rights to terminate this contract at any time are not affected by action taken under this clause.

#### I.6. FAR 52.204-1 APPROVAL OF CONTRACT (DEC 1989)

This contract is subject to the written approval of the Contracting Officer and shall not be binding until so approved.

#### I.7. FAR 52.220-1 PREFERENCE FOR LABOR SURPLUS AREA CONCERNS (APR 1984)

(a) This acquisition is not a set-aside for labor surplus area (LSA) concerns. However, the offeror's status as such a concern may affect (1) entitlement to award in case of tie offers, or (2) offer evaluation in accordance with the Buy American Act clause of this solicitation. In order to determine whether the offeror is entitled to a preference under (1) of (2) above, the offeror must identify, below, the LSA in which the costs to be incurred on account of manufacturing or production (by the offeror or the first-tier subcontractors) amount to more than 50% of the contract price.

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(b) Failure to identify the locations as specified above will preclude consideration of the offeror as an LSA concern. If the offeror is awarded a contract as an LSA concern and would not have otherwise qualified for award, the offeror shall perform the contract or cause the contract to be performed in accordance with the obligations of an LSA concern.

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## I.8. FAR 52.216-7 ALLOWABLE COST AND PAYMENT (JUL 1991)

(a) Invoicing. The Government shall make payments to the Contractor when requested as work progresses, but (except for small business concerns) not more often than once every 2 weeks, in amounts determined to be allowable by the Contracting Officer in accordance with subpart 31.2 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

(b) Reimbursing costs.

(1) For the purpose of reimbursing allowable costs (except as provided in subparagraph (2) below, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term "costs" includes only,

(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check or other form of actual payment for items or services purchase directly for the contract;

(ii) When the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid for,

(A) Materials issued from the Contractor's inventory and placed in the production process for use on the contract;

(B) Direct labor;

(C) Direct travel;

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(D) Other direct in-house costs; and

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(E) Properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and

(iii) The amount of progress payments that have been paid to the Contractor's subcontractors under similar cost standards.

(2) Contractor contributions to any pension, or other postretirement benefit, profit-sharing or employee stock ownership plan funds that are paid quarterly or more often may be included in indirect costs for payment purposes; provided, that the Contractor pays the contribution to the fund within 30 days after the close of the period covered. Payments made 30 days or more after the close of a period shall not be included until the Contractor actually makes the payment. Accrued costs for such contributions that are paid less often than quarterly shall be excluded from indirect costs for payment purposes until the Contractor actually makes the payment.

(3) Notwithstanding the audit and adjustment of invoices or vouchers under paragraph (g) below, allowable indirect costs under this contract shall be obtained by applying indirect cost rates established in accordance with paragraph (d) below.

(4) Any statements in specifications or other documents incorporated in this contract by reference designating performance of services or furnishing of materials at the Contractor's expense or at no cost to the Government shall be disregarded for purposes of cost-reimbursement under this clause.

(c) Small business concerns. A small business concern may be paid more often than every 2 weeks and may invoice and be paid for recorded costs for items or services purchased directly for the contract, even though the concern has not yet paid for those items or services.

(d) Final indirect cost rates.

(1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with subpart 42.7 of the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.

(2) The Contractor shall, within 90 days after the expiration of each of its fiscal years, or by a later date approved by the Contracting Officer, submit to the cognizant Contracting Officer responsible for negotiating its final indirect cost rates and, if required by agency procedures, to the cognizant audit activity proposed final indirect cost rates for that period and supporting cost data specifying the contract and/or subcontract to which the rates apply. The proposed rates shall be based on the Contractor's actual cost experience for that period. The appropriate Government representative and Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the Contractor's proposal.

(3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify (i) the agreed-upon final annual indirect cost rates, (ii) the bases to which the rates apply, (iii) the periods for which the rates apply, (iv) any specific indirect cost items treated as direct costs in the settlement, and (v) the affected contract an/or subcontract, identifying any with advance agreements or special terms and the applicable rates. The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.

(4) Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes clause.

(e) Billing rates. Until final annual indirect cost rates are established for any period, the Government shall reimburse the Contractor at billing rates established by the Contracting Officer or by an authorized representative (the cognizant auditor), subject to adjustment when the final rates are established. These billing rates,

(1) shall be the anticipated final rates; and

(2) may be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.

(f) Quick-close-out procedures. When the Contractor and Contracting Officer agree, the quick-closeout procedures of subpart 42.7 of the FAR may be used.

(g) Audit. At any time or times before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of cost audited. Any payment may be (1) reduced by amounts found by the Contracting Officer not to constitute allowable costs or (2)

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adjusted for prior overpayment or underpayments.

(h) Final payment.

(1) The Contractor shall submit a completion invoice or voucher, designated as such, promptly upon completion of the work, but no later than one year (or longer, as the Contracting Officer may approve in writing) from the completion date. Upon approval of that invoice or voucher, and upon the Contractor's compliance with all terms of this contract, the Government shall promptly pay any balance of allowable costs and that part of the fee (if any) not previously paid.

(2) The Contractor shall pay to the Government any refunds, rebates, credits or other amounts (including interest, if any) accruing to or received by the Contractor or any assignee under this contract, to the extent that those amounts are properly allocable to costs for which the Contractor has been reimbursed by the Government. Reasonable expenses incurred by the Contractor for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by the Contracting Officer. Before final payment under this contract, the Contractor and each assignee whose assignment is in effect at the time of final payment shall execute and deliver-

(i) An assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including interest, if any) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

(ii) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, except-

(A) Specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known;

(B) Claims (including reasonable incidental expenses) based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that the claims are not known to the Contractor on the date of the execution of the release, and that the Contractor gives notice of the claims in writing to the

Contracting Officer within 6 years following the release date or notice of final payment date, whichever is earlier; and

(C) Claims for reimbursement of costs, including reasonable incidental expenses, incurred by the Contractor under the patent clauses of this contract, excluding, however, any expenses arising from the Contractor's indemnification of the Government against patent liability.

#### I.9. FAR 52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (AUG 1992)

(a) The Contractor, in connection with this contract shall-

(1) Comply with the requirements of 48 CFR, Subpart 9904.401, Consistency in Estimating, Accumulating, and Reporting Costs, and 48 CFR, Subpart 9904.402, Consistency in Allocating Costs Incurred for the Same Purpose, in effect on the date of award of this contract as indicated in 48 CFR, Part 9904.

(2) (CAS-covered Contracts Only) If it is a business unit of a company required to submit a Disclosure Statement, disclose in writing its cost accounting practices as required by 48 CFR, Subparts 9903.202-1 through 9903.202-5. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(3) (i) Follow consistently the Contractor's cost accounting practices. A change to such practices may be proposed, however by either the Government or the Contractor, and the Contractor agrees to negotiate with the Contracting Officer the terms and conditions under which a change may be made. After the terms and conditions under which the change is to be made have been agreed to, the change must be applied prospectively to this contract, and the Disclosure Statement, if affected, must be amended accordingly.

(ii) The Contractor shall, when the parties agree to a change to a cost accounting practice and the Contracting Officer has made the finding required in 48 CFR, Subpart 9903.201-6(b), that the change is desirable and not detrimental to the interests of the Government, negotiate an equitable adjustment as provided in the Changes clause of this

contract. In the absence of the required finding, no agreement may be made under this contract clause that will increase costs paid by the United States.

(4) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a subcontractor fails to comply with the applicable CAS or to follow any cost accounting practice, and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States together with interest thereon computed at the annual rate of interest established under the Internal Revenue Code of 1986 (26 U.S.C. 6621), from the time the payment by the United States was made to the time the adjustment is effected.

(b) If the parties fail to agree whether the Contractor has complied with an applicable CAS, rule, or regulation as specified in 48 CFR, Parts 9903 and 9904 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under the Contract Disputes Act (41 U.S.C. 601).

(c) The Contractor shall permit any authorized representative of the Government to examine and make copies of any documents, papers, and records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts, which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts of any tier, except that

(1) If the subcontract is awarded to a business unit which pursuant to 48 CFR, Subpart 9903.201 is required to follow all CAS, the clause entitled "Cost Accounting Standards" set forth in FAR 52.230-2, shall be inserted in lieu of this clause; or

(2) This requirement shall apply only to negotiated subcontracts in excess of \$500,000 where the price negotiated is not based on--

(i) Established catalog or market prices of commercial items sold in substantial quantities to the general public; or

(ii) Price set by law of regulation; or

(3) The requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 48 CFR, Subpart 9903.201-1.



#### I.10. FAR 52.252-4 ALTERATIONS IN CONTRACT

Portions of this contract are altered as follows:

[To be Provided at Contract Award]

#### I.11. FAR 52.203-9 REQUIREMENT FOR CERTIFICATE OF PROCUREMENT INTEGRITY-MODIFICATION (Sep 1995)

- (a) Definitions. The definitions set forth in FAR 3.104-4 are hereby incorporated in this clause.
- (b) The Contractor agrees that it will execute the certification set forth in paragraph (c) of this clause when requested by the Contracting Officer in connection with the execution of any modification of this contract.
- (c) Certification. As required in paragraph (b) of this clause, the officer or employee responsible for the modification proposal shall execute the following certification:  
(The certification in paragraph (c)(2) of this clause is not required for a modification which procures commercial items).

#### CERTIFICATE OF PROCUREMENT INTEGRITY-MODIFICATION (NOV 1990)

- (1) I, [Name of certifier] am the officer or employee responsible for the preparation of this modification proposal and hereby certify that, to the best of my knowledge and belief, with the exception of any information described in this certification, I have no information concerning a violation or possible violation of subsection 27(a), (b), (d), or (f) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), (hereinafter referred to as "the Act"), as implemented in the FAR, occurring during the conduct of this procurement (contract and modification number).
  - (2) As required by subsection 27 (e)(1)(B) of the Act, I further certify that to the best of my knowledge and belief, each officer, employee, agent, representative, and consultant of [Name of Offeror] who has participated personally and substantially in the preparation or submission of this proposal has certified that he or she is familiar with, and will comply with, the requirements of subsection 27(a) of the Act, as implemented in the FAR, and will report immediately to me any information concerning a violation or possible violation of subsections 27 (a), (b), (d) or (f) of the Act, as implemented in the FAR, pertaining to this procurement.
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(3) Violations or possible violations: (Continue on plain bond paper if necessary and label Certificate of Procurement Integrity-Modification (Continuation Sheet). Enter "NONE" if none exists.

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[Signature of the officer or employee responsible  
for the modification proposal and date] \_\_\_\_\_

[Typed name of the officer or employee responsible  
for the modification proposal] \_\_\_\_\_

\*Subsections 27(a), (b), and (d) are effective on December 1, 1990. Subsection 27 (f) is effective on June 1, 1991.

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER TITLE 18, UNITED STATES CODE SECTION 1001.

(d) In making the certification in paragraph (2) of the certificate, the officer or employee of the competing Contractor responsible for the offer or bid, may rely upon a one-time certification from each individual required to submit a certification to the competing Contractor, supplemented by periodic training. These certifications shall be obtained at the earliest possible date after an individual required to certify begins employment or association with the Contractor. If a Contractor decides to rely on a certification executed prior to the suspension of section 27 (i.e., prior to December 1, 1989), the Contractor shall ensure that an individual who has so certified is notified that section 27 has been reinstated. These certifications shall be maintained by the Contractor for a period of 6 years from the date a certifying employee's employment with the company ends or, for an agency, representative, or consultant, 6 years from the date such individual ceases to act on behalf of the Contractor.

(e) The certification required by paragraph (c) of this clause is a material representation of fact upon which reliance will be placed in executing this modification.

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(End of Clause)

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I.12. FIRMR 201-39.5202-5 PRIVACY OR SECURITY SAFEGUARDS  
(OCT 1990)

- (a) The details of any safeguards the Contractor may design or develop under this contract are the property of the Government and shall not be published or disclosed in any manner without the Contracting Officer's express written consent.
- (b) The details of any safeguards that may be revealed to the Contractor by the Government in the course of performance under this contract shall not be published or disclosed in any manner without the Contracting Officer's express written consent.
- (c) The Government shall be afforded full, free, and uninhibited access to all facilities, installations, technical capabilities, operations, documentation, records, and data bases for the purpose of carrying out a program of inspection to ensure continued efficacy and efficiency of safeguards against threats and hazards to data security, integrity and confidentiality.
- (d) If new or unanticipated threats or hazards are discovered by either the Government or the Contractor, or if existing safeguards have ceased to function, the discoverer shall immediately bring the situation to the attention of the other party. Mutual agreement shall then be reached on changes or corrections to existing safeguards or institution of new safeguards, with final determination of appropriateness being made by the Government. The Government's liability is limited to an equitable adjustment of cost for such changes or corrections, and of loss of business, damage to reputation, or damages of any other kind arising from discovery of new or unanticipated threats or hazards or any public or private disclosure thereof.

(End of clause)

I.13. FAR 52.232-22 LIMITATION OF FUNDS (APR 1984)

- (a) The parties estimate that performance of this contract will not cost the Government more than (1) the estimated cost specified in the Schedule or, (2) if this is a cost-sharing contract, the Government's share of the estimated cost specified to perform the work specified in the Schedule. The Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this contract within estimated cost, which if this is a cost-sharing contract, includes both the Government's and the Contractor's share of the cost.
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- (b) The Schedule specifies the amount presently available for payment by the Government and allotted to this contract, the items covered, the Government's share of the cost if this is a cost-sharing contract, and the period of performance it is estimated the allotted amount will cover. The parties contemplate that the Government will allot additional funds incrementally to the contract up to the full estimated cost to the Government specified in the Schedule, exclusive of any fee. The Contractor agrees to perform, or have performed, work on the contract up to the point at which the total amount paid and payable by the Government under the contract approximates but does not exceed the total amount actually allotted by the Government to the contract.
- (c) The Contractor shall notify the Contracting Officer in writing whenever it has reason to believe that the costs it expects to incur under this contract in the next 60 days, when added to all costs previously incurred, will exceed 75 percent of (1) the total amount so far allotted to the contract by the Government, or (2) if this is a cost-sharing contract, the amount then allotted to the contract by the Government plus the Contractor's corresponding share. The notice shall state the estimated amount of additional funds required to continue performance for the period specified in the Schedule.
- (d) Sixty days before the end of the period specified in the Schedule, the Contractor shall notify the Contracting Officer in writing of the estimated amount of additional funds, if any, required to continue timely performance under the contract or for any further period specified in the Schedule or otherwise agreed upon, and when the funds will be required.
- (e) If after notification, additional funds are not allotted by the end of the period specified in the Schedule, or another agreed-upon date, upon the Contractor's written request the Contracting Officer will terminate this contract on that date in accordance with the provisions of the Termination clause of this contract. If the Contractor estimates that the funds available will allow it to continue to discharge its obligations beyond that date, it may specify a later date in its request, and the Contracting Officer may terminate this contract on that later date.
- (f) Except as required by other provisions of this contract, specifically citing and stated to be an exception to this clause-
- (1) The Government is not obligated to reimburse the Contractor for costs incurred in excess of the total amount allotted by the Government to this contract; and
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(2) The Contractor is not obligated to continue performance under this contract (including actions under the Termination clause of this contract) or otherwise incur costs in excess of (i) the amount then allotted to the contract by the Government or, (ii) if this is a cost-sharing

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contract, the amount then allotted by the Government to the contract plus the Contractor's corresponding share, until the Contracting Officer notifies the Contractor in writing that the amount allotted by the Government has been increased and specifies an increased amount, which shall then constitute total amount allotted by the Government to this contract.

(g) The estimated cost shall be increased to the extent that (1) the amount allotted by the Government of (2) if this is a cost-sharing contract, the amount then allotted by the Government to the contract plus the Contractor's corresponding share, exceeds the estimated cost specified in the Schedule. If this is a cost-sharing contract, the increase shall be allocated in accordance with the formula specified in the Schedule.

(h) No notice, communication, or representation in any form other than that specified in subparagraph (f)(2) above, or from any person other than the Contracting Officer, shall affect the amount allotted by the Government to this contract. In the absence of the specified notice, the Government is not obligated to reimburse the Contractor for any costs in excess of the total amount allotted by the Government to this contract, whether incurred during the course of the contract or as a result of termination.

(i) When and to the extent that the amount allotted by the Government to the contract is increased, any costs the Contractor incurs before the increase that are in excess of (1) the amount previously allotted by the Government or, (2) if this is a cost-sharing contract, the amount previously allotted by the Government to the contract plus the Contractor's corresponding share, shall be allowable to the same extent as if incurred afterward, unless the Contracting Officer issues a termination or other notice and directs that the increase is solely to cover termination or other specified expenses.

(j) Change orders shall not be considered an authorization to exceed the amount allotted by the Government specified in the Schedule, unless they contain a statement increasing the amount allotted.

(k) Nothing in this clause shall affect the right of the Government to terminate this contract. If this contract is terminated, the Government and the Contractor shall negotiate an equitable

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distribution of all property produced or purchased under the contract, based upon the share of costs incurred by each.

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(l) If the Government does not allot sufficient funds to allow completion of the work, the Contractor is entitled to a percentage of the fee specified in the Schedule equaling the percentage of completion of the work contemplated by this contract.

(End of clause)

#### I.14. FAR 52.230-5 ADMINISTRATION OF COST ACCOUNTING STANDARDS (FEB 1995)

For the purpose of administering the Cost Accounting Standards (CAS) requirements under this contract, the Contractor shall take the steps outlined in paragraphs (a) through (g) of this clause:

(a) Submit to the Contracting Officer a description of any cost accounting practice change, the total potential impact of the change on contracts containing a CAS clause, and a general dollar magnitude of the change which identifies the potential shift of costs between CAS-covered contracts by contract type (i.e., firm-fixed-price, incentive, cost-plus-fixed fee, etc.) and other Contractor business activity. As related to CAS-covered contracts, the analysis should identify the potential impact on funds of the various Agencies/Departments (i.e., Department of Energy, National Aeronautics and Space Administration, Army, Navy, Air Force, other Department of Defense, other Government) as follows:

(1) For any change in cost accounting practices required to comply with a new or modified CAS in accordance with subparagraph (a)(3) and subdivision (a)(4)(I) of the clause at FAR 52.230-2, Cost Accounting Standards, within 60 days (or such other date as may be mutually agreed to) after award of a contract requiring this change.

(2) For any change in cost accounting practices proposed in accordance with subdivision (a)(4)(ii) or (iii) of the clause at FAR 52.230-2, Cost Accounting Standards, or with subparagraph (a)(3) of the clause of FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, not less than 60 days (or such other date as may be mutually

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agreed to) before the effective date of the proposed change;

(3) For any failure to comply with an applicable CAS or to follow a disclosed practice (as contemplated by subparagraph (a)(5) at FAR 52.230-2, Cost Accounting Standards, or by subparagraph (a)(4) at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices):

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(i) Within 60 days (or such other date as may be mutually agreed to) after the date of agreement with the initial finding of noncompliance, or

(ii) In the event of Contractor disagreement with the initial finding of noncompliance, within 60 days of the date the Contractor is notified by the Contracting Officer of the determination of noncompliance.

(b) After an ACO determination of materiality, submit a cost impact proposal in the form and manner specified by the Contracting Officer within 60 days (or such other date as may be mutually agreed to) after the date of determination of the adequacy and compliance of a change submitted pursuant to paragraph (a) of this clause. The cost impact proposal shall be in sufficient detail to permit evaluation, determination, and negotiation of the cost impact upon each separate CAS-covered contract and subcontract.

(1) Cost impact proposals submitted for changes in cost accounting practices required to comply with a new CAS in accordance with subparagraph (a)(3) and subdivision (a)(4)(I) of the clause at FAR 52.230-2, Cost Accounting Standards, shall identify the applicable standard and all contracts and subcontracts containing the clause in this contract entitled Cost Accounting Standards, which have an award date before the effective date of that standard.

(2) Cost impact proposals submitted for any change in cost accounting practices proposed in accordance with subdivisions (a)(4)(ii) or (iii) of the clause at FAR 52.230-2, Cost Accounting Standards, or with subparagraph (a)(3) of the clause at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, shall identify all contracts and subcontracts containing the clause at FAR 52.230-2, Cost Accounting Standards and FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices.

(3) Cost impact proposals submitted for failure to comply with the applicable CAS or to follow a disclosed practice as contemplated by subparagraph (a)(5) of the clause at FAR

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52.230-2, Cost Accounting Standards, or by subparagraph (a)(4) of the clause at FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, shall identify the cost impact on each separate CAS covered contract from the date of failure to comply until the noncompliance is corrected.

(c) If the submissions required by paragraphs (a) and (b) of this clause are not submitted within the specified time, or any extension granted by the Contracting Officer, an amount not to exceed 10 percent of each subsequent amount determined payable related to the Contractor's CAS-

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covered prime contracts, up to the estimated general dollar magnitude of the cost impact, may be withheld until such time as the required submission has been provided in the form and manner specified by the Contracting Officer.

(d) Agree to appropriate contract and subcontract amendments to reflect adjustments established in accordance with subparagraphs (a)(4) and (a)(5) of the CAS clause at FAR 52.230-2 or with subparagraphs (a)(3) and (a)(4) of the Disclosure and Consistency of Cost Accounting Practices clause.

(e) For all subcontracts subject either to the CAS clause or to the Disclosure and Consistency of Cost Accounting Practices clause-

(1) So state in the body of the subcontract, in the letter of award, or in both (self-deleting clauses shall not be used); and

(2) Include the substance of this clause in all negotiated subcontracts. In addition, within 30 days after award of the subcontract, submit the following information to the Contractor's cognizant contract administration office for transmittal to the contract administrative office cognizant of the subcontractor's facility:

(i) Subcontractor's name and subcontract number;

(ii) Dollar amount and date of award;

(iii) Name of Contractor making the award;

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(iv) Any changes the subcontractor has made or proposes to make to cost accounting practices that affect prime contracts or subcontracts containing CAS clause or Disclosure and Consistency of Cost Accounting Practices clause, unless these changes have already been reported. If award of the subcontract results in making one or more CAS effective for the first time, this fact shall also be reported.

(f) Notify the Contracting Officer in writing of any adjustments required to subcontracts under this contract and agree to an adjustment, based on them, to this contract price or estimated cost and fee. This notice is due within 30 days after proposed subcontract adjustments are received and shall include a proposal for adjusting the higher tier subcontract or the prime contract appropriately.

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(g) For subcontracts containing the CAS clause, required the subcontractor to comply with all Standards in effect on the date of award or of final agreement on price, as shown on the subcontractor's signed Certificate of Current Cost or Pricing Data, whichever is earlier.

(End of Clause)

#### I.15. FAR 52.232-28 ELECTRONIC FUNDS TRANSFER PAYMENT METHODS (APR 1989)

Payments under this contract will be made by the Government either by check or electronic funds transfer (through the Treasury Fedline Payment System FEDLINE) or the Automated Clearing House (ACH), at the option of the Government. After award, but no later than 14 days before an invoice or contract financing request is submitted, the Contractor shall designate a financial institution for receipt of electronic funds transfer payments, and shall submit this designation to the Contracting Officer or other Government official, as directed.

(a) For payment through FEDLINE, the Contractor shall provide the following information:

(1) Name, address, and telegraphic abbreviation of the financial institution receiving payment;

(2) The American Bankers Association 9-digit identifying number for wire transfers of the financing institution receiving payment if the institution has access to the Federal Reserve Communications System;

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- (3) Payee's account number at the financial institution where funds are to be transferred;
  - (4) If the financial institution does not have access to the Federal Reserve Communications System, name, address, and telegraphic abbreviation of the correspondent financial institution through which the financial institution receiving payment obtains wire transfer activity. Provide the telegraphic abbreviation and American Bankers Association identifying number for the correspondent institution.
- (b) For payment through ACH, the Contractor shall provide the following information:
- (1) Routing transit number of the financial institution receiving payment (same as American Banker Association identifying number used for FEDLINE).

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- (2) Number of account to which funds are to be deposited.
  - (3) Type of depositor account ("C" for checking, "S" for savings).
  - (4) If the Contractor is a new enrollee to the ACH system, a "Payment Information Form," SF 3881, must be completed before payment can be processed.
- (c) In the event the Contractor, during the performance of this contract, elects to designate a different financial institution for the receipt of any payment made using electronic funds transfer procedures, notification of such change and the required information specified above must be received by the appropriate Government official 30 days prior to date such change is to become effective.
- (d) The documents furnishing the information required in this clause must be dated and contain the signature, title, and telephone number of the Contractor official authorized to provide it, as well as the Contractor's name and contract number.
- (e) Contractor failure to properly designate a financial institution or to provide appropriate payee bank account information may delay payments of amounts otherwise properly due.

(End of Clause)

(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

- (1) Description of services to be performed;
- (2) Time of performance (i.e., hours of the day, days of the week, etc.);
- (3) Place of performance of the services;
- (4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawings, designs, or specifications;

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- (5) Method of shipment or packing of supplies; and
- (6) Place of delivery.

(b) If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this contract, the Contracting Officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the contract accordingly.

(c) The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

(d) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

(e) Notwithstanding the terms and conditions of paragraphs (a) and (b) above, the estimated cost of this contract and, if this contract is incrementally funded, the funds allotted for the

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performance of this contract, shall not be increased or considered to be increased except by specific written modification of the contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract. Until this modification is made, the Contractor shall not be obligated to continue performance or incur costs beyond the point established in the Limitation of Cost or Limitation of Funds clause of this contract.

(End of Clause)

I.17. FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS AND  
COMMERCIAL COMPONENTS (OCT 1995)

(a) Definition.

“Commercial item”, as used in this clause, has the meaning contained in the clause at 52.202-1, Definitions.

“Subcontract”, as used in this clause, includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor at any tier.

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(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

(c) Notwithstanding any other clause of this contract, the Contractor is not required to include any FAR provision or clause, other than those listed below to the extent they are applicable and as may be required to establish the reasonableness of prices under Part 15, in a subcontract at any tier for commercial items or commercial components:

- (1) 52.222-26, Equal Opportunity (E.). 11246);
  - (2) 52.222-35, Affirmative Action for Special Disabled and Vietnam Era Veterans (38 U.S.C. 4212(a) );
  - (3) 52.222-36, Affirmative Action for Handicapped Workers (29 U.S.C. 793); and
  - (4) 52.247-64, Preference for Privately-Owned U.S.-Flagged Commercial Vessels (46 U.S.C. 1241)(flow down not required for subcontracts awarded beginning May 1, 1996).
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(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

(End of Clause)

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### PART III

#### SECTION J - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

<u>EXHIBIT NUMBER</u>	<u>TITLE</u>
J-1	HARDWARE/SOFTWARE CATALOG
J-1a	HARDWARE/SOFTWARE CATALOG Processing Center
J-1b	HARDWARE/SOFTWARE CATALOG Data Operations and Analysis Center
J-1c	HARDWARE/SOFTWARE CATALOG Asynchronous Communications Servers

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J-1d	HARDWARE/SOFTWARE CATALOG Financial Server
J-1e	HARDWARE/SOFTWARE CATALOG Supplier Points of Contact
J-2	TRANSITION PLAN
J-3	TRAINING SUPPORT WORKLOAD
J-4	BUSINESS RESUMPTION PLANNING CONSIDERATIONS
J-5	PAST PERFORMANCE EVALUATION
J-6a	SYSTEM DESIGN ALTERNATIVE Reference Alternative Overview
J-6b	SYSTEM DESIGN ALTERNATIVE Processing Entity Distribution and Sizing

EXHIBIT  
NUMBER

TITLE

J-6c	SYSTEM DESIGN ALTERNATIVE MTS Application Architecture
J-7	MILESTONES TABLE
J-8	CURRENT PROCESSING FLOW
J-9	MEDICARE ENTITIES
J-10	RESPONSIBILITIES MATRIX
J-11	AWARD FEE PLAN
J-12	HCFA LIBRARY REFERENCE LIST

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AREA	J-13	CHECK STOCK STORAGE REQUIREMENTS
	J-14	GLOSSARY
	J-15	BUDGET AND COST REPORTING REQUIREMENTS
	J-16	EMPOWERMENT ZONE/ENTERPRISE COMMUNITY
	J-17	PRINT/MAIL
	J-18	PUBLIC VOUCHER
	J-19	CONTRACT PRICING PROPOSAL COVER SHEET (SF 1411)
	J-20	COST ELEMENT BREAKDOWN
	J-21	RESUMÉ FORMAT
	J-22	AUTOMATED CLEARING HOUSE (ACH) FORM

EXHIBIT  
NUMBER

TITLE

J-23	SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS MODEL SUBCONTRACTING PLAN OUTLINE
J-24	SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACT (SF 294)
J-25	SUMMARY SUBCONTRACT REPORT (SF 295)
J-26	DIRECTIONS FOR PREPROPOSAL CONFERENCE





PART III

SECTION J - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

EXHIBIT  
NUMBER

TITLE

J-1

HARDWARE/SOFTWARE CATALOG

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RFP HCFA-9602-MTSOS

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J-1a	HARDWARE/SOFTWARE CATALOG Processing Center
J-1b	HARDWARE/SOFTWARE CATALOG Data Operations and Analysis Center
J-1c	HARDWARE/SOFTWARE CATALOG Asynchronous Communications Servers
J-1d	HARDWARE/SOFTWARE CATALOG Financial Server
J-1e	HARDWARE/SOFTWARE CATALOG Supplier Points of Contact
J-2	TRANSITION PLAN
J-3	TRAINING SUPPORT WORKLOAD
J-4	BUSINESS RESUMPTION PLANNING CONSIDERATIONS
J-5	PAST PERFORMANCE EVALUATION
J-6a	SYSTEM DESIGN ALTERNATIVE Reference Alternative Overview
J-6b	SYSTEM DESIGN ALTERNATIVE Processing Entity Distribution and Sizing

EXHIBIT  
NUMBER

TITLE

J-6c	SYSTEM DESIGN ALTERNATIVE MTS Application Architecture
J-7	MILESTONES TABLE
J-8	CURRENT PROCESSING FLOW

AREA	J-9	MEDICARE ENTITIES
	J-10	RESPONSIBILITIES MATRIX
	J-11	AWARD FEE PLAN
	J-12	HCFA LIBRARY REFERENCE LIST
	J-13	CHECK STOCK STORAGE REQUIREMENTS
	J-14	GLOSSARY
	J-15	BUDGET AND COST REPORTING REQUIREMENTS
	J-16	EMPOWERMENT ZONE/ENTERPRISE COMMUNITY
	J-17	PRINT/MAIL
	J-18	PUBLIC VOUCHER
	J-19	CONTRACT PRICING PROPOSAL COVER SHEET (SF 1411)
	J-20	COST ELEMENT BREAKDOWN
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J-23	SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS MODEL SUBCONTRACTING PLAN OUTLINE
J-24	SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACT (SF 294)

- J-25 SUMMARY SUBCONTRACT REPORT (SF 295)
- J-26 DIRECTIONS FOR PREPROPOSAL CONFERENCE

PART IV

REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS  
OF OFFERORS

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To Be Completed by the Offeror:

(Representations and Certifications must be executed by an individual

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Authorized to bind the offeror.)

The offeror makes the following Representations and Certifications as part of its proposal (check or complete all appropriate boxes or blanks on the following pages).

_____ (Name of Offeror)	_____ (RFP No.)
_____ (Signature of Authorized Individual)	_____ (Date)
_____ (Typed Name of Authorized Individual)	

Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

K.1. FAR 52.203-4 CONTINGENT FEE REPRESENTATION AND AGREEMENT  
(APR 1984)

(a) Representation. The offeror represents that, except for full-time bona fide employees working solely for the contract, the offeror--

[Note: The offeror must check the appropriate boxes. For interpretation of the representation, including the term "bona fide employee," see Subpart 3.4 of the Federal Acquisition Regulation.]

(1) ☐ has, ☐ has not employed or retained any person or company to solicit or obtain this contract; and

(2) ☐ has, ☐ has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) Agreement. The offeror agrees to provide information relating to the above Representation as requested by the Contracting Officer and, when subparagraph (a)(1) or (a)(2) is answered affirmatively, to promptly submit to the Contracting Officer--

(1) A completed Standard Form 119, Statement of Contingent or Other Fees, (SF 119);  
or

(2) A signed statement indicating that the SF 119 was previously submitted to the same Contracting Office, including the date and applicable solicitation or contract number, and representing that the prior SF 119 applies to this offer or quotation.

(End of provision)

## K.2. FAR 52.203-8 REQUIREMENT FOR CERTIFICATE OF PROCUREMENT INTEGRITY (NOV 1990)

(a) Definitions. The definitions at FAR 3.104-4 are hereby incorporated in this provision.

(b) Certifications. As required in paragraph (c) of this provision, the officer or employee responsible for this offer shall execute the following certification:

### CERTIFICATE OF PROCUREMENT INTEGRITY

(1) I,     [name of certifier]    , am the officer or employee responsible for the preparation of this offer or bid and hereby certify that, to the best of my knowledge and belief, with the exception of any information described in this certificate, I have no information concerning a violation or possible violation of subsection 27(a), (d) or (f) of the Office of Federal Procurement Policy Act, as amended\* (41 U.S.C. 423) (hereinafter referred to as "the Act"), as implemented in the FAR, occurring during the conduct of this procurement (solicitation number).

(2) As required by subsection 27(e)(1)(B) of the Act, I further certify that, to the best of my knowledge and belief, each officer, employee, agent, representative, and consultant of [Name of offeror] who has participated personally and substantially in the preparation of submission of this offer has certified that he or she is familiar with, and will comply with, the requirements of subsection 27(a) of the Act, as implemented in the FAR, and will report

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immediately to me any information concerning a violation or possible violation of the Act, as implemented in the FAR, pertaining to this procurement.

(3) Violations or possible violations: (Continue on plain bond paper if necessary and label Certificate of Procurement Integrity (Continuation Sheet). Enter "NONE" if none exists.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(4) I agree that, if awarded a contract under this solicitation, the certifications required by subsection 27(e)(1)(B) of the Act shall be maintained in accordance with paragraph (f) of this provision.

\_\_\_\_\_  
[Signature of the Officer or Employee Responsible for the Offer and date]

\_\_\_\_\_  
[Typed Name of the Officer or Employee Responsible for the Offer]

\* Subsection 27(a), (b), and (d) are effective on December 1, 1990. Subsection 27(f) is effective on June 1, 1991.

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER TITLE 18, UNITED STATES CODE, SECTION 1001.

(End of Certification)

(c) For procurements, including contract modifications, in excess of \$100,000 made using procedures other than sealed bidding, the signed certifications shall be submitted by the successful Offeror to the Contracting Officer within the time period specified by the Contracting Officer when requesting the certificates except as provided in subparagraphs (c)(1) through (c)(5) of this clause. In no event shall the certificate be submitted subsequent to award of a contract or execution of a contract modification.

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- (1) For letter contracts, other unpriced contracts, or unpriced contract modifications, whether or not the unpriced contract or modification contains a maximum or not to exceed price, the signed certifications shall be submitted prior to the award of the letter contract, unpriced contract, or unpriced contract modification, and prior to the definization of the letter contract or the establishment of the price of the unpriced Contract or unpriced contract modification. The second certification shall apply only to the period between award of the letter contract and execution of the document definitizing the letter contract, or award of the unpriced contract or unpriced contract modification and execution of the document establishing the definitive price of such unpriced contract modification.
  - (2) For basic ordering agreements, prior to the execution of a priced order; prior to the execution of an unpriced order, whether or not the unpriced order contains a maximum or not to exceed price; and, prior to establishing the price of an unpriced order. The second certificate to be submitted for unpriced orders shall apply only to the period between award of the unpriced order and execution of the document establishing the definitive price for such order.
  - (3) A certificate is not required for indefinite delivery contracts (see Subpart 16.5) unless the total estimated value of all orders eventually to be placed under the contract is expected to exceed \$100,000.
  - (4) For contracts and contract modifications which include options, a certificate is required when the aggregate value of the contract or contract modification and all options (see 3.104-4(e)) exceeds \$100,000.
  - (5) For purposes of contracts entered into under section 8(a) of the SBA, the business entity with whom the SBA contracts, and not the SBA, shall be required to comply with the certification requirements of subsection 27(e). The SBA shall obtain the signed certificate from the business entity and forward the certificate to the Contracting Officer prior to the award of a contract to the SBA.
  - (6) Failure of an Offeror to submit the signed certificate within the time prescribed by the Contracting Officer shall cause the offer to be rejected.
-

K.3. FAR 52.203-11 CERTIFICATION AND DISCLOSURE REGARDING  
PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS  
(APR 1991)

(a) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitation of Payments to Influence Certain Federal Transactions, included in this solicitation, are hereby incorporated by reference in paragraph (b) of this certification.

(b) The offeror, by signing its offer, hereby certifies to the best of his or her knowledge and belief as of December 23, 1989 that -

(1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement;

(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer; and

(3) He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fail to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

(End of provision)

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#### K.4. FAR 52.204-3 TAXPAYER IDENTIFICATION

##### (a) Definitions

"Common parent," as used in this solicitation provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

"Corporate status," as used in this solicitation provision, means a designation as to whether the offeror is a corporate entity, an unincorporated entity (e.g., sole proprietorship or partnership), or a corporation providing medical and health care services.

"Taxpayer Identification Number (TIN)," as used in this solicitation provision means the number required by the IRS to be used by the offeror in reporting income tax and other returns.

(b) The offeror is required to submit the information required in paragraphs (c) through (e) of this solicitation provision in order to comply with reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M and implementing regulations issued by the IRS. If the resulting contract is subject to the reporting requirements described in 4.902(a), the failure or refusal by the offeror to furnish the information may result in a 20 percent reduction of payments otherwise due under the contract.

##### (c) Taxpayer Identification Number (TIN).

(i) TIN: \_\_\_\_\_

(ii) TIN has been applied for.

(iii) TIN is not required because:

(iv) Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the U.S. and does not have an office or place of business or a fiscal paying agent in the U.S.;

(v) Offeror is an agency or instrumentality of a Federal, state, or local government;

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(vi) Other. State basis. \_\_\_\_\_

(d) Corporate Status.

(i) Corporation providing medical and health care services, or engaged in the billing and collecting of payments for such services;

(ii) Other corporate entity;

(iii) Not a corporate entity;

(iv) Sole proprietorship

(v) Partnership

(vi) Hospital or extended care facility described in 26 CFR 501(c)(3) that is exempt from taxation under 26 CFR 501(a).

(e) Common Parent

(i) Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this clause.

(ii) Name and TIN of common parent:

Name \_\_\_\_\_

TIN \_\_\_\_\_

(End of provision)

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K.5. FAR 52.204-5 WOMEN-OWNED BUSINESS (OCT 1995)

(a) Representation. The offeror represents that it [ ] is, [ ] is not a women-owned business concern.

(b) Definition. "Women-owned business concern," as used in this provision, means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

(End of Provision)

K.6. FAR 52.209-5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS (MAY 1989)

(a)(1) The Offeror certifies, to the best of its knowledge and belief, that-

(i) The Offeror and/or any of its Principals-

(A) Are [ ] are not [ ] presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have [ ] have not [ ], within a 3-year period preceding this offer, been convicted or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property; and

(C) Are [ ] are not [ ] presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

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(ii) The Offeror has [ ] has not [ ], within a 3-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or entity (e.g., general manager; plan manager; head of a subsidiary, division, or business segment, and similar positions).

This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under section 1001, title 18, United States Code.

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to the other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default

(End of provision)

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K.7. FAR 52.209-7 ORGANIZATIONAL CONFLICTS OF INTEREST  
CERTIFICATE -- MARKETING CONSULTANTS (NOV 1991)

(a) Definitions

(1) Marketing consultant means any independent Contractor who furnishes advice, information, direction or assistance to an offeror or any other Contractor in support of the preparation or submission of an offer for a government contract by that offeror. An independent Contractor is not a marketing consultant when rendering-

- (i) Services excluded in FAR 37.204;
- (ii) Routine engineering and technical services (such as installation, operation, or maintenance of systems, equipment, software, components, or facilities);
- (iii) Routine legal, actuarial, auditing, and accounting services; or
- (iv) Training services.

(2) Organizational conflict of interest means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.

(b) An individual or firm that employs, retains, or engages contractually one or more marketing consultants in connection with a contract, shall submit to the contracting officer, with respect to each marketing consultant, the certificates described below, if the individual or firm is notified that it is the apparent successful offeror.

(c) The certificate must contain the following:

- (1) The name of the agency and the number of the solicitation in question.
  - (2) The name, address and telephone number and federal taxpayer identification number
-

of the marketing consultant.

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(3) The name, address and telephone number of a responsible officer or employee of the marketing consultant who has personal knowledge of the marketing consultants involvement in the contract.

(4) A description of the nature of the services rendered by or to be rendered by the marketing consultant.

(5) The name, address, and telephone number of the client or clients, and the name of a responsible officer or employee of the marketing consultant who is knowledgeable about the services provided to such client(s), and a description of the nature of the services rendered to such client(s), if based on information provided to the Contractor by the marketing consultant, any marketing consultant is rendering or, in the 12 months preceding the date of the certificate, has rendered services respecting the same subject matter of the instant solicitation, or directly relating to such subject matter, to the Government or any other client (including any foreign government or person).

(6) A statement that the person who signs the certificate for the prime Contractor has informed the marketing consultant of the existence of subpart 9.5 and Office of Federal Procurement Policy Letter 89-1.

(7) The signature, name, title, employer's name, address, and telephone number of the persons who signed the certificates for both the apparent successful offeror and the marketing consultant.

(d) In addition, the apparent successful offeror shall forward to the Contracting Officer a certificate signed by the marketing consultant that the marketing consultant has been told of the existence of subpart 9.5 and office of Federal Procurement Policy Letter 89-1, and the marketing consultant has made inquiry, and to the best of the consultant's knowledge and belief, the consultant has provided no unfair competitive advantage to the prime Contractor with respect to the services rendered or to be rendered in connection with the solicitation, or that any unfair competitive advantage that, to the best of the consultant's knowledge and belief, does or may exist, has been disclosed to the offeror.

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(e) Failure of the offeror to provide the required certifications may result in the offeror being determined ineligible for award. Misrepresentation of any fact may result in the assessment of penalties associated with false certifications or such other provisions provided for by law or regulation.

(End of provision)

- \* If approved by the head of the contracting activity, this period may be increased up to 36 months.

K.8. FAR 52.215-6 TYPE OF BUSINESS ORGANIZATION (JUL 1987)

The offeror or quoter, by checking the applicable box, represents that:

- (a) It operates as ☐ a corporation incorporated under the laws of the State of \_\_\_\_\_, ☐ an individual, ☐ a nonprofit organization, or ☐ a joint venture; or
- (b) If the Contractor or Quoter is a foreign entity, it operates as ☐ an individual, ☐ a partnership, ☐ a nonprofit organization, ☐ a joint venture, or ☐ a corporation, registered for business in \_\_\_\_\_(country).

(End of provision)

K.9. FAR 52.215-11 AUTHORIZED NEGOTIATORS (APR 1984)

The offeror or quoter represents that the following persons are authorized to negotiate on its behalf with the Government in connection with this request for proposals or quotations:

[List names, titles, and telephone numbers of the authorized negotiators].

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Name	Title	Telephone No.
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Name	Title	Telephone No.
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### K.10. FAR 52.215-19 PERIOD FOR ACCEPTANCE OF OFFER (APR 1984)

In compliance with the solicitation, the offeror agrees, if this offer is accepted within 280 calendar days from the date specified in the solicitation for receipt of offers, to furnish any or all items on which prices are offered at the price set opposite each item, delivered at the designated point within the time specified in the Schedule.

(End of provision)

### K.11. FAR 52.215-20 PLACE OF PERFORMANCE (APR 1984)

(a) The offeror or quoter, in the performance of any contract resulting from this solicitation, [ ] intends, [ ] does not intend (check applicable block) to use one or more plants or facilities located at a different address from the address of the Contractor or Quoter as indicated in this proposal or quotation.

(b) If the offeror or quoter checks "intends" in paragraph (a) above, it shall insert in the spaces provided below the required information:

Place of Performance  
(Street address, city, county,  
state, ZIP code)

Name and Address of Owner and  
Operator of the Plant or Facility  
if other than Contractor or Quoter

_____	_____
_____	_____
_____	_____
_____	_____

(End of provision)

### K.12. FAR 52.219-1 SMALL BUSINESS PROGRAM REPRESENTATIONS

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(OCT 1995)

(a)(1) The standard industrial classification (SIC) code for this acquisition is \_\_\_\_\_ .

(2) The small business size standard is \_\_\_\_\_ .

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(3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b) Representations.

(1) The offeror represents and certifies as part of its offer that it [ ] is, [ ] is not a small business concern.

(2) (Complete only if offeror represented itself as a small business concern in block (b)(1) of this section.) The offeror represents as part of its offer that it [ ] is, [ ] is not a small disadvantaged business concern.

(3) (Complete only if offeror represented itself as a small business concern in block (b)(1) of this section.) The offeror represents as part of its offer that it [ ] is, [ ] is not a women-owned small business concern.

(c) Definitions. "Small business concern," as used in this provision means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and the size standard in paragraph (a) of this provision. "Small disadvantaged business concern," as used in this provision, means a small business concern that (1) is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business having at least 51 percent of its stock unconditionally owned by one or more socially and economically disadvantaged individuals, and (2) has its management and daily business controlled by one or more such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian Organization, or a publicly owned business having at least 51 percent of its stock unconditionally owned by one or more of these entities, which has its management and daily

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business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian Organization, and which meets the requirements of 13 CFR Part 124. "Woman-owned small business concern," as used in this provision, means a small business concern--

(1) Which is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

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(2) Whose management and daily business operations are controlled by one or more women.

(d) Notice.

(1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set-aside contains restriction on the source of the end items to be furnished.

(2) Under 15 U.S.C. 645(d), any person who misrepresents a firm's status as a small business or small disadvantaged business concern in order to obtain a contract to be awarded under the preference programs established pursuant to sections 8(a), 8(d), 9 or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall-

- (i) Be punished by imposition of fine, imprisonment, or both;
- (ii) Be subject to administrative remedies, including suspension and debarment; and
- (iii) Be ineligible for participation in programs conducted under the authority of the Act.

(End of provision)

K.13. FAR 52.222-21 CERTIFICATION OF NONSEGREGATED FACILITIES  
(APR 1984)

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(a) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

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(b) By the submission of this offer, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in the contract.

(c) The offeror further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will

(1) obtain identical certification from proposed subcontractors before the award of subcontracts under which the subcontractor will be subject to the Equal Opportunity clause;

(2) Retain the certifications in the files; and

(3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods):

**NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR  
CERTIFICATIONS OF NONSEGREGATED FACILITIES**

A Certification of Nonsegregated Facilities must be submitted before the award of a subcontract under which the subcontractor will be subject to the Equal Opportunity

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clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S. 1001.

(End of provision)

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K.14. FAR 52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS  
(APR 1984)

The offeror represents that:

- (a) It [ ] has, [ ] has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation, the clause originally contained in Section 310 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114;
- (b) It [ ] has, [ ] has not, filed all required compliance reports; and
- (c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

(End of provision)

K.15. FAR 52.222-25 AFFIRMATIVE ACTION COMPLIANCE (APR 1984)

The offeror represents that (a) it [ ] has developed and has on file, [ ] has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) it [ ] has not

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previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(End of provision)

K.16. FAR 52.223-1 CLEAN AIR AND WATER CERTIFICATION  
(APR 1984)

The Offeror certifies that:

(a) Any facility to be used in the performance of this proposed contract is [ ], is not [ ] listed on the Environmental Protection Agency List of Violating Facilities;

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(b) The Offeror will immediately notify the Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the Environmental Protection Agency, indicating that any facility that the Offeror proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and

(c) The Offeror will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

(End of provision)

K.17. FAR 52.223-5 CERTIFICATION REGARDING A DRUG-FREE WORKPLACE  
(JUL 1990)

(a) Definitions. As used in this provision,

"Controlled substance" means a controlled substance in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812) and as further defined in regulation at 21 CFR 1308.11-1308.15.

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"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes.

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, possession or use of any controlled substance.

"Drug-free workplace" means the site(s) for the performance of work done by the Contractor in connection with a specific contract at which employees of the Contractor are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance.

"Employee" means an employee of a Contractor directly engaged in the performance of work under a Government contract. "Directly engaged" is defined to include all direct cost employees and any other Contractor employee who has other than a minimal impact or involvement in contract performance.

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"Individual" means an Offeror/Contractor that has no more than one employee including the Offeror/Contractor.

(b) By submission of its offer, the offeror, if other than an individual, who is making an offer that equals or exceeds \$25,000, certifies and agrees, that with respect of all employees of the offeror to be employed under a contract resulting from this solicitation, that it will--no later than 30 calendar days after contract award (unless a longer period is agreed to in writing), for contracts of 30 calendar days or more performance duration; or as soon as possible for contracts of less than 30 calendar days performance duration, but in any case, by a date prior to when performance is expected to be completed--

(1) Publish a statement notifying such employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition.

(2) Establish an ongoing drug-free awareness program to inform such employees about-

(i) The dangers of drug abuse in the workplace;

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- (ii) The Contractor's policy of maintaining a drug-free workplace;
  - (iii) Any available drug counseling, rehabilitation, and employee assistance programs;  
and
  - (iv) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (3) Provide all employees engaged in performance of the contract with a copy of the statement required by subparagraph (b)(1) of this provision;
- (4) Notify such employees in writing in the statement required by subparagraph (b)(1) of this provision, that as a condition of continued employment on the contract resulting from this solicitation, the employee will--
- (i) Abide by the terms of the statement; and

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- (ii) Notify the employer in writing of the employee's conviction under a criminal drug statute for a violation occurring in the workplace no later than 5 calendar days after such conviction;
- (5) Notify the Contracting Officer in writing within 10 calendar days after receiving notice under subdivision (b)(4)(ii) of this provision, from an employee or otherwise receiving actual notice of such conviction. The notice shall include the position title of the employee; and
- (6) Within 30 calendar days after receiving notice under subdivision (b)(4)(ii) of this provision of a conviction, take one of the following actions with respect to any employee who is convicted of drug abuse violations occurring in the workplace:
- (i) Take appropriate personnel action against such employee, up to and including termination; or
  - (ii) Require such employee to satisfactorily participate in a drug abuse assistance or
-

rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement or other appropriate agency.

(7) Make a good faith effort to maintain a drug-free workplace through implementation of subparagraphs (b)(1) through (b)(6) of this provision.

(c) By submission of its offer, the offeror, if an individual who is making an offer of any dollar value, certifies and agrees that the offeror will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in the performance of the contract resulting from this solicitation.

(d) Failure of the offeror to provide the certification required by paragraphs (b) or (c) of this provision, renders the offeror unqualified and ineligible for award. (See FAR 9.104-1(g) and 19.602-1(a)(2)(i).)

(e) In addition to other remedies available to the Government, the certification in paragraphs (b) and (c) of this provision concerns a matter within the jurisdiction of any agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

(End of provision)

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K.18. FAR 52.225-1 BUY AMERICAN CERTIFICATE (DEC 1987)

The offeror certifies that each end product, except those listed below, is a domestic end product (as defined in the clause entitled "Buy American Act-Supplies"), and that components of unknown origin are considered to have been mined, produced, or manufactured outside the United States.

Excluded End Products

Country of Origin

.....  
.....  
.....

(list as necessary)

Offerors may obtain from the Contracting Officer lists of articles, materials, and supplies excepted from the Buy American Act.

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(End of provision)

K.19. FAR 52.227-15 REPRESENTATION OF LIMITED RIGHTS DATA AND  
RESTRICTED COMPUTER SOFTWARE (JUNE 1987)

(a) This solicitation sets forth the work to be performed if a contract award results, and the Government's known delivery requirements for data (as defined in FAR 27.401). Any resulting contract may also provide the Government the option to order additional data under the

Additional Data Requirements clause at 52.227-16 of the FAR, if included in the contract. Any data delivered under the resulting contract will be subject to the Rights in Data-General clause at 52.227-14 that is to be included in this contract. Under the latter clause, a Contractor may withhold from delivery data that qualify as limited rights data or restricted computer software, and deliver form, fit, and function data in lieu thereof. The latter clause also may be used with its "Alternate II and/or III" to obtain delivery of limited rights data or restricted computer software, marked with limited rights or restricted rights notices, as appropriate. In addition, use of "Alternate V" with this latter clause provides the Government the right to inspect such data at the Contractor's facility.

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(b) As an aid in determining the Government's need to include any of the aforementioned "Alternates" in the clause at 52.227-14, Rights in Data-General, the Contractor's response to this solicitation shall, to the extent feasible, complete the representation in paragraph (b) of the clause to either state that none of the data qualify as limited rights data or limited rights data or restricted computer software. Any identification of limited rights data or restricted computer software in the Contractor's response is not determinative of the status of such data should a contract be awarded to the Contractor.

REPRESENTATION CONCERNING DATA RIGHTS

Contractor has reviewed the requirements for the delivery of data or software and states  
(Contractor check appropriate block)--

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[ ] None of the data proposed for fulfilling such requirements qualifies as limited rights data or restricted computer software.

[ ] Data proposed for fulfilling such requirements qualify as limited rights data or restricted software and are identified as follows:

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Note: "Limited rights data" and "Restricted computer software" are defined in the contract clauses entitled "Rights in Data - General."

(End of provision)

#### K.20. FAR 52.230-1 COST ACCOUNTING STANDARDS NOTICE AND CERTIFICATION (NOV 1993)

Note: This notice does not apply to small businesses or foreign governments. This notice is in three parts, identified by Roman numerals I through III.

Offerors shall examine each part and provide the requested information in order to determine cost Accounting Standards (CAS) requirements applicable to any resultant contract.

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#### I. DISCLOSURE STATEMENT - COST ACCOUNTING PRACTICES AND CERTIFICATION

(a) Any contract in excess of \$500,000 resulting from this solicitation, except contracts in which the price negotiated is based on (1) established catalog or market prices of commercial items sold in substantial quantities to the general public, or (2) prices set by law or regulation, will be subject to the requirements of 48 CFR, Parts 9903 and 9904, except for those contracts which are exempt as specified in 48 CFR, Subpart 9903.201-1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR, Parts 9903 and 9904 must, as a condition of contracting,

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submit a Disclosure Statement as required by 48 CFR, Subpart 9903.202. The Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation unless the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal. If an applicable Disclosure Statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

CAUTION: In the absence of specific regulations or agreement, a practice disclosed in a disclosure statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed-to-practice for pricing proposals or accumulating and reporting contract performance cost data.

(c) Check the appropriate box below:

☐ (1) Certificate of Concurrent Submission of Disclosure Statement.

The offeror hereby certifies that, as a part of the offer, copies of the Disclosure Statement have been submitted as follows: (i) Original and one copy to the cognizant Administrative Contracting Officer (ACO), and (ii) One copy to the cognizant Contractor auditor. (Disclosure must be on Form No. CASB DS-1. Forms may be obtained from the cognizant ACO or from the looseleaf version of the Federal Acquisition Regulation.)

Date of Disclosure Statement: \_\_\_\_\_

Name and Address of Cognizant ACO where filed:

\_\_\_\_\_

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The offeror further certifies that practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement.

☐ (2) Certificate of Previously Submitted Disclosure Statement.

The offeror hereby certifies that Disclosure Statement was filed as follows:

Date of Disclosure Statement: \_\_\_\_\_

Name and Address of Cognizant ACO where filed:

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The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the applicable disclosure statement.

☐ (3) Certificate of Monetary Exemption.

The offeror hereby certifies that the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated prime contracts and subcontracts subject to CAS totaling more than \$25 million (of which at least one award exceeded \$1 million) in the cost accounting period immediately preceding the period in which this proposal was submitted. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

☐ (4) Certificate of Interim Exemption

The offeror hereby certifies that (i) the offeror first exceeded the monetary exemption for disclosure, as defined in (3) of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted, and (ii) in accordance with 46 CFR, Subpart 9903.202-1 the offeror is not yet required to submit a Disclosure Statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the offeror will immediately submit a revised certificate to the Contracting Officer, in the form specified under subparagraph (c)(1) or (c)(2) of Part I of this provision, as appropriate, to verify submission of a completed Disclosure Statement.

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CAUTION: Offerors currently required to disclose because they were awarded a CAS-covered prime contract or subcontract of \$25 million or more in the current cost accounting period may not claim this exemption (4). Further, the exemption applies only in connection with proposals submitted before expiration of the 90-day period following the cost accounting period in which the monetary exemption was exceeded.

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## II. COST ACCOUNTING STANDARDS - ELIGIBILITY FOR MODIFIED CONTRACT COVERAGE

If the offeror is eligible to use the modified provisions of 48 CFR Subpart 9903.201-2(b) and elects to do so, the offeror shall indicate by checking the box below. Checking the box below shall mean that the resultant contract is subject to the Disclosure and Consistency of Cost Accounting Practices clause in lieu of the Cost Accounting Standards clause.

The offeror hereby claims an exemption from the Cost Accounting Standards clause under the provisions of 48 CFR Subpart 9903.201-2(b) and certifies that the offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the offeror received less than \$25 million in awards of CAS-covered prime contracts and subcontracts, or the offeror did not receive a single CAS-covered award exceeding \$1 million. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

CAUTION: An offeror may not claim the above eligibility for modified contract coverage if this proposal is expected to result in the award of a CAS-covered contract of \$25 million or more or if, during its current cost accounting period, the offeror has been awarded a single CAS-covered prime contract or subcontract of \$25 million or more.

## III. ADDITIONAL COST ACCOUNTING STANDARDS APPLICABLE TO

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## EXISTING CONTRACTS

The offeror shall indicate below whether award of the contemplated contract would, in accordance with subparagraph (a)(3) of the Cost Accounting Standards clause, require a change in established cost accounting practices affecting existing contracts and subcontracts.

☐ Yes                      ☐ No

(End of Provision)

## K.21. FAR 15.804-4 CERTIFICATE OF CURRENT COST OR PRICING DATA

(a) When certified cost or pricing data are required under 15.804-2, the contracting officer shall require the Contractor to execute a Certificate of Current Cost or Pricing Data, shown below, and shall include the executed certificate in the contract file. The certificate states that the cost or pricing data are accurate, complete, and current as of the date the Contractor and the Government agreed on a price. Only one certificate shall be required; the Contractor shall submit it as soon as practicable after price agreement is reached.

### CERTIFICATE OF CURRENT COST OR PRICING DATA

This is to certify that, to the best of my knowledge and belief, the cost or pricing data (as defined in section 15.801 of the Federal Acquisition Regulation (FAR) and required under FAR subsection 15.804-2) submitted, either actually or by specific identification in writing, to the Contracting Officer or to the contracting officer's representative in support of \_\_\_\_\_\* are accurate, complete, and current as of \_\_\_\_\_\*\*. This certification includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the offeror and the Government that are part of the proposal.

Firm \_\_\_\_\_

Name \_\_\_\_\_

Date of execution \_\_\_\_\_\*\*\*

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\* Identify the proposal, quotation, request for price adjustment, or other submission

involved, giving the appropriate identifying number (e.g., RFP No.).

\*\* Insert the day, month, and year when price negotiations were concluded and price agreement was reached.

\*\*\* Insert the day, month, and year of signing which should be as close as practicable to the date when the price negotiations were concluded and the contract price was agreed to.

(End of certificate)

(b) The certificate does not constitute a representation as to the accuracy of the Contractor's judgment on the estimate of future costs or projections. It does apply to the data upon which the estimate was based. This distinction between fact and judgment should be clearly understood. If the Contractor had information reasonably available at the time of agreement showing that the negotiated price was not based on accurate, complete, and current data, the Contractor's responsibility is not limited by any lack of personal knowledge of the information on the part of its negotiators.

(c) Closing or cutoff dates should be included as part of the data submitted with the proposal. Certain data may not be reasonably available before normal periodic closing dates (e.g., actual indirect costs). Before agreement on price, the Contractor shall update all data as of the latest dates for which information is reasonably available. Data within the Contractor's or a subcontractor's organization on matters significant to Contractor management and to the Government will be treated as reasonably available. What is significant depends upon the circumstances of each acquisition.

(d) Possession of a Certificate of Current Cost or Pricing Data is not a substitute for examining and analyzing the Contractor's proposal.

(e) Even though the solicitation may have requested cost or pricing data, the Contracting Officer shall not require a Certificate of Current Cost or Pricing Data when the resulting award is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation (see 15.804-3 (a) through (d)).

(f) The exercise of an option at the price established in the initial negotiation in which certified cost or pricing data were used does not require recertification.

(g) Contracting Officers shall not require certification at the time of agreement for data supplied in support of forward pricing rate agreements (see 15.809) or other advance agreements. When a forward pricing rate agreement or other advance agreement is used in partial support of a later contractual action that requires a certificate, the price proposal certificate shall cover (1) the data originally supplied to support the forward pricing rate agreement or other advance agreement and (2) all data required to update the price proposal to the time of agreement on contract price.

(h) Negotiated final pricing actions (such as termination settlements and total final price agreements for fixed-price incentive and redeterminable contracts) are contract modifications requiring certified cost or pricing data if (1) the total final price agreement for such settlements or agreements exceeds \$100,000 or (2) the partial termination settlement plus the estimate to complete the continued portion of the contract exceeds \$100,000 (see 49.105(c)(15)).

(End of Provision)

## K.22. BUSINESS MANAGEMENT DATA

1. Contractor: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Individual(s)  
Contact Regarding  
this Proposal: \_\_\_\_\_

2. Cognizant Government

Audit Agency: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

3. Sales

(a) Work Distribution for the Last Completed Fiscal Accounting Period:

(1) Govt. cost reimbursement type prime contracts and subcontracts:

\$ \_\_\_\_\_

(2) Govt. fixed price prime contracts and subcontracts:

\$ \_\_\_\_\_

(3) Commercial Sales:

\$ \_\_\_\_\_

(4) Total Sales:

\$ \_\_\_\_\_

(b) Total Sales for First and Second Fiscal Years Immediately Preceding Last Completed Fiscal Year:

(1). Total sales for first preceding fiscal year:

\$ \_\_\_\_\_

(2). Total sales for second preceding fiscal year:

\$ \_\_\_\_\_

(3). Is company a separate entity or divisions?

If a division or subsidiary corporation, name parent company:

\_\_\_\_\_

(4). Date company organized:

\_\_\_\_\_

(5). Manpower:

Total employees:

\_\_\_\_\_

Direct:

\_\_\_\_\_

Indirect:

\_\_\_\_\_

Standard Work

Week (hours):

\_\_\_\_\_

(6). Commercial Products:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(7). Attach a current organizational chart of the company.

(8). Description of Contractor's system of estimating and accumulating costs under Government contracts.

4. Estimating System	Estimated/ Actual Cost	Standard Cost
Job Order	_____	_____
Process	_____	_____

Accumulating  
System

Job Order \_\_\_\_\_

Process \_\_\_\_\_

5. Has your cost estimating system been approved by a Government agency?

☐ YES ☐ NO

If yes, give name and location of agency:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. What is your fiscal year period? (Give month-to-month dates)

\_\_\_\_\_

7. What were the indirect cost rates for your last completed fiscal year?

<u>Fiscal Year</u>	Indirect Cost <u>Rate</u>	Basis of <u>Allocation</u>
Fringe Benefits	_____	_____
Overhead	_____	_____
G & A Expense	_____	_____
Other	_____	_____



8. Have the proposed indirect rate(s) been evaluated and accepted by any Government agency?

☐ Yes ☐ No

If yes, give name and location of the Government agency.

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9. Date of last preaward audit review by a Government agency:

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10. Cost estimating is performed by:

☐ accounting department

☐ contract department

☐ other \_\_\_\_\_  
(describe)

11. Has system of control of Government property been approved by a Government agency.

☐ Yes ☐ No

If yes, give name and location of the Government agency.

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If the answer is no, data supporting the proposed rates must accompany the cost or price proposal. A breakdown of the items comprising overhead and G & A must be furnished.

12. Purchasing Procedures:

Are purchasing procedures written? ☐ Yes ☐ No

Has your purchasing system been approved by a Government agency? ☐ Yes ☐  
]No

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If yes, give name and location of agency.

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13. Does your firm have an established written incentive compensation or bonus plan?

☐ Yes    ☐ No

K.23. FAR 52.227-6 ROYALTY INFORMATION (APR 1984)

(a) Cost or charges for royalties. When the response to this solicitation contains costs or charges for royalties totaling more than \$250, the following information shall be included in the response relating to each separate item of royalty or license fee:

(1) Name and address of licensor.

(2) Date of license agreement.

(3) Patent numbers, application serial numbers, or other basis on which the royalty is payable.

(4) Brief description, including any part or model numbers of each contract item or component on which the royalty is payable.

(5) Percentage or dollar rate of royalty per unit.

(6) Unit price of contract item.

(7) Number of units.

(8) Total dollar amount of royalties.

(b) Copies of current licenses. In addition, if specifically requested by the Contracting Officer before execution of the contract, the offeror shall furnish a copy of the current license agreement and an identification of applicable claims of specific patents.

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(End of provision)

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PART IV

SECTION L - INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

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L.3	CONTRACT AWARD .....	L-2
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L.5	SUCCESSOR CONTRACTING OFFICER .....	L-2
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L.1. FAR 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY  
REFERENCE (JUN 1988)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

(End of provision)

Federal Acquisition Regulation (48 CFR Chapter 1) Solicitation Provisions (incorporated by reference).

<u>CLAUSE NO.</u>	<u>TITLE</u>	<u>DATE</u>
FAR 52.204-4	Contractor Establishment Code	Aug 1989
FAR 52.215-5	Solicitation Definitions	Jul 1987
FAR 52.215-7	Unnecessary Elaborate Proposals or Quotations	Apr 1984
FAR 52.215-8	Amendments to Solicitations	Dec 1989
FAR 52.215-9	Submission of Offers	Jul 1995
FAR 52.215-10	Late Submissions, Modifications, and Withdrawals of Proposals	Jul 1995
FAR 52.215-13	Preparation of Offers	Apr 1984
FAR 52.215-14	Explanation to Prospective Offerors	Apr 1984
FAR 52.215-15	Failure to Submit Offer	Jul 1995
FAR 52.215-16	Contract Award	Jul 1990
FAR 52.215-30	Facilities Capital Cost of Money	Sep 1987

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FAR 52.222-24	Preaward On-Site Equal Opportunity Compliance Review	Apr 1984
FAR 52.222-46	Evaluation of Compensation for Professional Employees	Feb 1993

### L.2. 52.216-1 TYPE OF CONTRACT (APR 1984)

As a result of this solicitation, the Government contemplates award of a cost-plus-award-fee contract.

### L.3. CONTRACT AWARD

It is anticipated that three (3) awards will be made from this solicitation: one award for a Data Operations and Analysis Center (DOAC) and two (2) awards for Processing Centers. The Government intends that the awards will be made to three (3) separate and distinct business organizations that are not under common ownership or control. However, the Government reserves the right to award more than one contract to an organization if it is determined to be in the best interests of the Government. It is intended that contract awards will be made on or about March 31, 1997. It is anticipated that the term of the contracts awarded under this solicitation will be for five (5) years, with two, one (1) year options, and that incremental funding will be used.

### L.4. PERIOD FOR ACCEPTANCE OF OFFER

In compliance with the solicitation, the offeror agrees to a proposal acceptance period of not less than 280 days from the date specified in the solicitation for receipt of offers.

### L.5. SUCCESSOR CONTRACTING OFFICER

Offerors are hereby advised that the Government reserves the right to name a successor Contracting Officer in the event of the unavailability of the original Contracting Officer during the term of the contract.

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L.6. FAR 52.233-2 SERVICE OF PROTEST (NOV 1988)

a. Protests, as defined in Section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO) or the General Services Administration Board of Contract Appeals (GSBCA) shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from the Contracting Officer:

Address: Health Care Financing Administration  
Bureau of Program Operations  
S2-01-23  
7500 Security Blvd  
Baltimore, MD 21244-1850  
Attention: John Amrhein, Contracting Officer  
RFP No. HCFA-9602-MTSOS

b. The copy of any protest shall be received in the office designated above on the same day a protest is filed with the GSBCA or within one day of filing a protest with the GAO.

(End of provision)

L.7. HHSAR 352.215-12 RESTRICTION ON DISCLOSURE AND USE OF DATA  
(APR 1984)

The proposal submitted in response to this request may contain data (trade secrets; business data, e.g. commercial information, financial information, and cost and pricing data; and technical data) which the offeror, including its prospective subcontractor(s) does not want used or disclosed for any purpose other than for evaluation of the proposal.

The use and disclosure of any data may be so restricted; provided, that the Government determines that the data is not required to be disclosed under the Freedom of Information Act, 5 U.S.C. 522, as amended, and the offeror marks the cover sheet of the proposal with the following legend, specifying the particular portions of the proposal which are to be restricted in accordance with the conditions of the legend. The Government's determination to withhold or disclose a record will be based upon the particular circumstances involving the record in

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question and whether the record may be exempted from disclosure under the Freedom of Information Act:

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Unless disclosure is required by the Freedom of Information Act, 5 U.S.C. 552, as amended, (the Act) as determined by Freedom of Information (FOI) Officials of the Department of Health and Human Services, data contained in the portions of this proposal which have been specifically identified by page number, paragraph, etc. by the offeror as containing restricted information shall not be used or disclosed except for evaluation purposes. The offeror acknowledges that the Department may not be able to withhold a record (data, document, etc) nor deny access to a record requested pursuant to the Act and that the Department's FOI Officials must make that determination. The offeror hereby agrees that the Government is not liable for disclosure if the Department has determined that disclosure is required by the Act.

If a contract is awarded to the offeror as a result of, or in connection with, the submission of this proposal, the Government shall have the right to use or disclose the data to the extent provided in the contract. Proposals not resulting in a contract remain subject to the Act.

The offeror also agrees that the Government is not liable for disclosure or use of unmarked data and may use or disclose the data for any purpose, including the release of the information pursuant to requests under the Act.

The data subject to this restriction are contained in pages (insert page numbers, paragraph designations, etc. or other identification)."

In addition, the offeror should mark each page of data it wishes to restrict with the following legend:

"Use or disclosure of data contained on this page is subject to the restriction on the cover sheet of this proposal or quotation."

Offerors are cautioned that proposals submitted with restricted legends or statements differing in substance from the above legend may not be considered for award. The Government reserves the right to reject any proposal submitted with nonconforming legend.

(End of provision)

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#### L.8. EMPLOYEE IDENTIFICATION NUMBER

The offeror's Internal Revenue Service "Employer's Identification Number" is

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#### L.9. FAR 52.252-3 ALTERATIONS IN SOLICITATION (APR 1984)

Portions of this solicitation are altered as follows:

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(End of provision)

#### L.10. FAR 52.252-5 AUTHORIZED DEVIATIONS IN PROVISIONS (APR 1984)

a. The use in this solicitation of any Federal Acquisition Regulation (48 CFR Chapter 1) provision with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the provision.

b. The use in this solicitation of any           [insert regulation name]           (48 CFR Chapter ) provision with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

(End of provision)

#### L.11. GOVERNMENT USE OF PROPOSAL IDEAS

The Government shall have the right to use any or all ideas presented in any proposal received in response to this RFP, unless the offeror presents a positive statement of objection in the proposal as explained in Section L.7 above. In no event shall such objection be valid with respect to the use of such ideas which are not the proprietary information of the offeror and so designated in the proposal, or which were known to the Government before submission of such proposal, or properly became known to the Government thereafter through other sources or through acceptance of the offer.

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## L.12. FREEDOM OF INFORMATION ACT

L.12.a. Due regard will be given by the Government for the protection of proprietary information contained in all proposals received. However, offerors should be aware that all

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materials associated with the selection are subject to the terms of the Freedom of Information Act and all rules, regulations and interpretations resulting therefrom, including those from the offices of the Attorney General of the United States, Department of Health and Human Services (HHS), and Health Care Financing Administration (HCFA).

L.12.b. It will not be sufficient for offerors to merely state generally that the proposal is proprietary in nature and not, therefore, subject to release to third parties. Each and every subsection contained within the proposal which an offeror believes to be proprietary in nature must be specifically identified as such. Offerors should refer to HHSAR 352.215-12 ( see L.7 above) for instructions regarding identification of proposal data which they do not wish to be disclosed to the public or used by the Government except for evaluation purposes.

L.12.c. In addition, convincing explanation and rationale sufficient to exempt release of the specified material as contained in each subsection must accompany the proposal. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the offeror that would result if the identified material were to be released. The offeror will be notified prior to release of information which the offeror has specified as proprietary. However, the final administrative authority to release or exempt any or all material so identified rests with the Government.

## L.13. AWARD NOTIFICATION AND COMMITMENT OF PUBLIC FUNDS

L.13.a. All offerors will be notified of their selection or non-selection. Offerors who are not selected to be in the Competitive Range will be notified of their non-selection when the Competitive Range is established. For those offerors in the Competitive Range, formal notification of non-selection will not be made until a contract has been awarded. Each offeror is advised that the Contracting Officer is the only individual who can legally commit the Government to expenditure of public funds in connection with this procurement. This means that unless provided in the contract award document or specifically authorized by the Contracting Officer, HCFA technical personnel cannot issue contract modifications, give informal contractual commitments or otherwise give, commit, or obligate HCFA contractually.

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L.13.b. The Contracting Officer may delegate in the contract to the Project Officer the authority to communicate technical direction as described in Section G.3.

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L.14. FAR 22.901 NON-DISCRIMINATION BECAUSE OF AGE (MAR 1987)

Executive Order 11141, February 12, 1964 (29 FR 2477), states the following policy:

(a) Contractors and subcontractors shall not, in connection with employment, advancement, or discharge of employees, or the terms, conditions, or privileges of their employment, discriminate against persons because of their age except upon the basis of a bona fide occupational qualification, retirement plan, or statutory requirement.

(b) Contractors and subcontractors, or persons acting on their behalf, shall not specify in solicitations or advertisements for employees to work on Government contracts, a maximum age limit for employment unless the specified maximum age limit is based upon a bona fide occupational qualification, retirement plan, or statutory requirement.

(c) Agencies will bring this policy to the attention of Contractors. The use of contract clauses is not required.

L.15. TEAMING ARRANGEMENTS.

Offerors are advised that this RFP does not in any way prohibit or discourage the submission of proposals through a Contractor team arrangement in which two or more companies may form a partnership or joint venture to act as a potential prime Contractor. The Government will recognize the integrity and validity of Contractor team arrangements, provided the arrangements are identified and company relationships are fully disclosed in the proposal. Government limitations on authorization of Contractor team arrangements are set forth under FAR 9.604.

L.16. SUBCONTRACTING PROGRAM PLAN FOR UTILIZATION OF SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS CONCERNS.

The offeror should refer to the clause FAR 52.219-9, Small Business and Small Disadvantaged Business Subcontracting (SADBUS) Plan, incorporated by reference in this

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RFP. Offerors that are large business concerns shall submit with their proposal a subcontracting plan that (1) complies with this clause; (2) represents a good faith effort on the part of the offeror to provide direct and/or indirect subcontracting opportunities for small and small disadvantaged businesses; and (3) demonstrated consistence with Public Law 100-656, Section 502, Annual Contracting Goals, by establishing goals that are not less than 15 percent for small business and not less than 5

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percent for small disadvantaged business for subcontract awards under this contract. (Note: Offerors are reminded that no contract will be awarded unless and until an acceptable subcontracting plan is negotiated with the Contracting Officer. Said plan will be incorporated into the contract as a material part thereof.) The offeror shall submit its SADBUS Plan utilizing the pre-printed SADBUS Plan document located at Section J, Exhibit 23 in this RFP.

### L.17. PREPROPOSAL CONFERENCE.

L.17.a. A preproposal conference will be held with prospective offerors at 9:00 a.m. on May 23, 1996 at the Health Care Financing Administration Auditorium in the Central Building of HCFA headquarters for the purpose of providing information concerning the Government's requirements which may be helpful in the preparation of proposals. At such time, the Government will provide answers to questions prospective offerors may have regarding this RFP. Directions to the conference may be found in Section J, Exhibit 26.

L.17.b. Attendance at the conference is neither required nor a prerequisite for proposal submission and will not be considered a factor in proposal evaluation.

L.17.c. A written record of the questions and answers provided at the preproposal conference will be provided to all organizations to which HCFA has provided an RFP. Said record of the preproposal conference and all additional written questions and answers furnished by HCFA will become a part of the RFP.

### L.18. SUBMISSION OF WRITTEN QUESTIONS

L.18.a. Offerors may submit written questions regarding the meaning or interpretation of the RFP provisions. Offerors shall note the RFP page number and paragraph from which the question arose. Written answers to questions, when provided, will be provided to all interested parties. Oral questions will not be considered by HCFA.

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L.18.b. Any question or explanation desired by an offeror regarding the meaning or interpretation of the RFP provisions must be requested in writing to the Contracting Officer with the envelope marked RFP No. HCFA-9602-MTSOS (see Section L.22.i. below for the appropriate mailing address).

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L.18.c. Offerors are strongly urged to submit questions as early as possible to allow HCFA sufficient time to answer questions completely and to furnish responses to potential offerors. ALL QUESTIONS SHOULD BE RECEIVED IN HCFA NO LATER THAN JUNE 14, 1996. HCFA cannot guarantee that questions received after the above date will be answered timely, nor can it guarantee that correspondence not addressed as specified above will be received by the appropriate party in a timely manner.

L.18.d Oral explanations or instructions given before the award of the contract will not be binding. HCFA personnel who will be involved in this procurement have been instructed to refer the calls or questions to the Contracting Officer.

L.18.e. Any information given to a prospective offeror concerning a solicitation will be furnished promptly in writing to all other prospective offerors as an amendment to the solicitation, if that information is necessary in submitting offers or if lack of that information would be prejudicial to any other prospective offerors.

#### L.19. NOTICE OF INTENT TO SUBMIT A PROPOSAL

All organizations which intend to submit proposals are requested to submit a Proposal Intent Response Form to the attention of the Contracting Officer, by June 21, 1996 (local time in Baltimore, Maryland). The Proposal Intent Response Form is found at the front of this solicitation with the covering letter. An expression of intent is not binding, nor does failure to return the Proposal Intent Response Form preclude an organization from submitting a proposal.

#### L.20. ALTERNATE PROPOSALS

An offeror may submit an alternative proposal; however, all alternate proposals must satisfy

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all of the RFP requirements. As a minimum, at least the original proposal submitted shall be complete. Alternate proposals may be in abbreviated form following the same section format as the original proposal, providing only those sections which differ in any way from those contained in the original proposal. The number of copies of alternate proposals is the same as the copying requirements for the original proposal. If alternate proposals are submitted, they must be clearly labeled and identified as such on the cover page and on each page of the document. Packaging requirements are the same as for the original proposal. The offeror shall explain the reason for each alternate proposal and its comparative benefits. HCFA will evaluate each proposal submitted on its own merit.

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## L.21. GENERAL INSTRUCTIONS

L.21.a. Offerors are expected to examine the entire solicitation. Failure to do so will be at the offerors' own risk. The following instructions establish the acceptable minimum requirements for the format and contents of proposals. Your special attention is directed to the requirements for preparation of the technical and business proposals to be submitted in accordance with the instructions provided herein.

L.21.b. To assist all offerors in preparing their proposals, HCFA has assembled pertinent material which is referenced in this solicitation but which, because of its voluminous nature, is not included in this solicitation document. This material has been assembled in the HCFA Library, located in the Central Building of HCFA headquarters. A list of materials present in the Library may be found in Section J, Exhibit 12 and directions to HCFA headquarters may be found in Section J, Exhibit 26. Parties interested in reviewing this material must contact the Contracting Officer at (410) 786-7447 in order to schedule an appointment. Failure to examine the Reference Library materials prior to proposal submission will be at the offeror's own risk.

L.21.c. During review of materials provided in the HCFA Library, the following rules shall apply without exception:

- o Documentation may not be removed from the room;
  - o Photocopying is not permitted; and
  - o Any questions pertaining to the documentation as it relates to the solicitation must be submitted in writing to the Contracting Officer in accordance with the instructions previously set forth in this document. The Contracting Officer will not discuss the
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documentation or the solicitation during library reviews.

L.21.d. A Standard Form 33, "Solicitation, Offer, and Award", completed and signed by the offeror, constitutes the offeror's acceptance of the terms and conditions of this solicitation. Therefore, the form must be executed by a representative of the offeror who is authorized to commit the offeror's company or organization to contractual obligations. The offeror's proposal, as accepted by HCFA, and Parts I, II, and III of the RFP (Sections B through J) will be incorporated into the contract. Section K will be incorporated by reference.

L.21.e. Erasures or other changes must be initialed by the individual signing the offer.

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L.21.f. The Government may award a contract based on initial offers received without discussion of such offers. Accordingly, each initial offer should be submitted in as complete form as possible and without exception to any provision. The Government shall award this contract to a responsible party only in accordance with FAR 9.104-1 entitled, "General Standards." As such, the Government reserves the right to conduct a pre-award audit of an offeror.

L.21.g. Wherever in the solicitation/contract the following appears: man, men or other related pronouns, they have been used for literary purposes and are meant in the generic sense (i.e., to include all persons, regardless of sex).

L.21.h. Offerors submitting restrictive data shall mark it in accordance with the requirements of HHSAR Clause 352.215-12, "Restriction on Disclosure and Use of Data," which is cited in full in Section L.7. above. The Government assumes no liability for disclosure of use of unmarked data and may use or disclose the data for any purpose. Unless restricted, information submitted in response to this request may become subject to disclosure to the public pursuant to the provision of the Freedom of Information Act (5 U.S.C. 551).

## L.22. SUBMISSION OF OFFERS

L.22.a. In order to provide a basis for sound evaluation by the Government, the offeror must submit a comprehensive Technical and Business Proposal. The information provided shall be concise, factual, and complete. Proposals must address all of the requirements stated in this RFP.

L.22.b The offeror may submit a proposal for a Data Operations and Analysis Center, a

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Processing Center, or proposals for both. The Government will award one contract for a DOAC and two contracts for Processing Centers. The Government anticipates awarding the three contracts to three separate and distinct business organizations that are not under common ownership or control. If an offeror submits proposals for both a DOAC and a Processing Center, both will be evaluated. The Government reserves the right to make an award to either proposal, depending upon which is most advantageous to the government. The Government also reserves the right to award more than one contract to an organization if it is determined to be in the best interests of the Government.

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L.22.c. Each offeror must submit one (1) original, complete, signed copy of its proposal, fifteen (15) hard copies of each proposal and two (2) diskette copies (1.44 mm, 3 ½ inch IBM compatible, Wordperfect 6.1 compatible). An original signed SF 1411 cover sheet (see Section J, Exhibit 19 for a copy of the SF1411) must also be included. Each offeror must also complete Sections 14-18 of the SF 33 (Section A) covering this RFP and submit that as a part of the proposal.

L.22.d. Each offeror shall submit its proposal in the order and format shown in sections L.23 and L.25 below. A complete proposal shall consist of a Technical and a Business Proposal, each separately packaged and self-contained. Offerors shall prepare packaging to ensure easy removal of each proposal. Each copy of each complete proposal must be separately packaged in loose leaf binders.

L.22.e. Each proposal copy shall be clearly tabbed to identify each section of the proposal. Tabs shall be consistent with the subjects and format shown below for the Technical and Business proposals

L.22.f. Proposals shall be printed or reproduced on letter size paper (8.5" x 11"). The overall

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Technical proposal is limited to 500 consecutively numbered pages. Within the Technical proposal, Section III, Contractor Capability, is limited to 70 numbered pages. HCFA will not review beyond the first 500 pages. Proposals shall be numbered and printed on both sides of the paper, with at least one inch margins on the top, bottom and sides. The type size shall not be smaller than elite 12 pitch (or no smaller than the type presented in this document.) The type may be single spaced. Title, divider, table of contents, attachments and or exhibit pages do not count toward the page limit; however, attachment pages will be considered a part of the page limit amount if they present material specifically prepared for this solicitation. If fold-outs are used, the fold-out shall be no larger than 24.5 inches by 11 inches and on one side of the paper. Fold-outs shall be used for charts and figures only. Figures and charts may be reduced to no less than 66% of full size.

L.22.g. The cover page of each proposal (including all copies thereof) shall include:

- o Name and address of the offeror
- o date the proposal is submitted to HCFA
- o signature and title of the appropriate Contractor official authorizing the proposal.

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L.22.h. Offerors are hereby notified that all information provided in their proposals, including all resumes, shall be accurate and truthful. The Government will rely upon all such representations made by the offeror selected for award. The Government may require the offeror to substantiate the credentials, education, and employment history of its employees, subcontract personnel and consultants, through submission of copies of transcripts, diplomas, licenses, etc.

L.22.i. The offeror shall submit both a Technical and Business Proposal to the following:

Health Care Financing Administration  
Bureau of Program Operations  
Office of Contract Administration  
S2-05-18  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

Attention: Mr. John Amrhein,  
Contracting Officer  
RFP HCFA-9602-MTSOS

Offerors shall mark the outer packaging of proposals with the applicable RFP number and the

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name and address of the offeror.

NOTE: Offerors are hereby advised that HCFA headquarters at 7500 Security Boulevard is a secure building. Therefore, when hand-delivering proposals in response to this solicitation, offerors should allow for registration at the Security Guard's desk located in the lobby of the Central Building (the main entrance to the complex). Proposal delivery must be made to the exact location on or before the exact time specified in this RFP document.

L.22.j. ALL OFFERS MUST BE RECEIVED AT THE ADDRESS IN L.22.i. ABOVE BY 2:00 P.M. EASTERN DAYLIGHT TIME ON JULY 22, 1996.

L.22.k. Facsimile or telegraphic bids will not be accepted.

L.22.l. The entire cost for preparation of a proposal shall be borne by the offeror.

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L.22.m. Subsequent to the receipt of proposals, the Government may schedule a date and time for oral presentations to be held in order to clarify any proposal submitted hereunder, and/or to interview the key personnel identified in Section C.5. This meeting will be at the offeror's expense and will require, at a minimum, the offeror's appropriate technical personnel and other officials authorized to commit to positions and agreements on behalf of the offeror's organization.

#### L.23. TECHNICAL PROPOSAL FORMAT

L.23.a. To facilitate proposal evaluation, each offeror MUST submit as part of its overall proposal a complete, comprehensive, and separate Technical proposal. The Technical Proposal should clearly and fully demonstrate the offeror's capability, knowledge and experience in regard to the technical requirements described in this RFP. Stating that the offeror understands and will comply with the technical requirements is not adequate. Similarly, phrases such as "standard procedures will be employed" or "well-known techniques will be used" are also inadequate.

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L.23.b. Failure to respond to or follow the instructions regarding the organization and content of the proposal may result in the offeror's proposal being deemed unacceptable. In preparing their Technical Proposal, offerors should therefore adhere to the instructions set forth herein. All information submitted in the Technical Proposal shall be current as of the month of issuance of this solicitation. Any deviations taken from these instructions must be delineated and documented in the offeror's proposal. All information submitted shall be relative to the proposed entity designated to perform the proposed contract.

L.23.c. The Technical Proposal shall be fully self-contained and shall be arranged, as Volume I, in accordance with the appropriate outline provided below. The Offerors shall note that the proposal sections correspond to the technical evaluation factors as set forth in Section M of this RFP. The specific items to be evaluated, as described in Section M, should be addressed in the offeror's proposal.

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L.23.d. The major sections for the Processing Center proposal are as follows:

- o Executive Summary
  - o Section I -- Project Management
    - Tab A - Project Management Plan
    - Tab B - Management and Organizational Approach
  - o Section II -- Technical Capability
    - Tab A Facility Preparation
    - Tab B Operating Environment and Controls
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- Tab C Print/Mail
- Tab D Transition Plan
- Tab E Training
- Tab F Business Resumption Plan
- Tab G Understanding the Nature of the Work
- o Section III -- Contractor Capability
  - Tab A - Experience
  - Tab B - Past Performance
  - Tab C - Personnel

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L.23.e. The major sections for the Data Operations and Analysis Center proposal are as follows:

- o Executive Summary
  - o Section I -- Project Management
    - Tab A - Project Management Plan
    - Tab B - Management and Organizational Approach
  - o Section II -- Technical Capability
    - Tab A Facility Preparation
    - Tab B Operating Environment and Controls
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- Tab C System Integration
- Tab D Training Support (IT)
- Tab E Business Resumption Plan
- Tab F Understanding the Nature of the Work
- o Section III -- Contractor Capability
  - Tab A - Experience
  - Tab B - Past Performance
  - Tab C - Personnel

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#### L.24. TECHNICAL PROPOSAL DESCRIPTION

This section provides a description of the minimum information required for the various components of the technical proposal based on the format prescribed in L.23 above. Unless specifically stated otherwise, the following descriptions apply to both the Processing Centers and the DOAC.

##### L.24.a Executive Summary

The Executive Summary contents shall be determined by the offeror but shall include a statement and discussion of the corporate responsibilities as understood by the Contractor. This shall include any major difficulties and problem areas anticipated by the Contractor along with recommended approaches for their resolution. Any assumptions made by the offeror shall not qualify or make conditional the offeror's proposal, and the offeror shall include an affirmative statement to that effect. The Executive Summary is limited to no more

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than 15 pages in length.

#### L.24.b. Section I - Project Management

The intent of Section I is to have the offeror describe its management strategy and approach. The offeror must demonstrate its understanding of the technical requirements of the contract and fully describe the management plan, organization, and management practices proposed to meet those requirements.

##### (1) Project Management Plan

(i) The offeror shall provide a description of its plan for managing and accomplishing MTS Operating Site activities throughout the contract period. The plan shall include all option years.

(ii) The offeror shall prepare a detailed visual display identifying the project tasks to be performed using Project Evaluation and Review Techniques/Critical Path Method (PERT/CPM) and Gantt Chart, showing each project task to be performed, task sequence, start and finish dates, interrelationships and dependencies of all tasks, critical paths for each phase, and float or slack time. The displays must be updated periodically and used to supplement written progress reports to HCFA.

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(iii) The offeror shall show, at a minimum, a three level work breakdown structure (WBS) showing the major tasks, subtasks and dependencies associated with each functional area. For those functional areas in which specific software procedures and/or hardware tools are being proposed for use by the offeror, the following information should be provided:

- o a description of the item being proposed;
  - o the purpose of the item and why it will benefit this specific area; and
  - o a contact and telephone number at another location in which the item is
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implemented.

(iv) The Project Management Plan shall address the requirements of Section C. At a minimum, the plan must cover the areas in Section II of the proposal (L.24.c below) and include the following areas:

(A) Organizational Structure

The offeror shall provide a graphic organizational chart outlining the management chain of command and detailing communication patterns between staff, key personnel, subcontractor personnel (if any), corporate management and government personnel. The chart should identify all project management, technical, and administrative staff to be assigned to the MTS Operating Site. The chart shall identify each position by position title and, if currently available, the names of those individuals who will hold the position in the organization. Offerors shall also state the limits of the proposed Operating Site manager's authority to obtain and commit company resources (such as personnel, finances, and facilities).

(B) Staffing

Offerors shall describe their approach to obtaining and maintaining adequate staff with the requisite skills and experience to support the functional requirements of the MTS Operating Site. Offerors shall describe how they propose to schedule the placement of staff in accordance with the contract functions to be performed. Each offeror shall address methods and procedures for evaluating personnel performance, promoting personnel and effectuating disciplinary actions. Offerors shall also describe incentive plans, if any, awards, and retirement plans. The offeror shall also provide a description of how it plans to deal with attrition, replacing personnel, evaluating new hires to fill

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vacancies, and ensuring that new employees possess skills, experience, knowledge and competence necessary to perform MTSOS work. The offeror shall provide a description of its approach to ensure that all technical staff assigned to the MTSOS contract are adequately trained in the requirements of the MTSOS contract, including communications, quality control, and security.

(C) Communications and Reporting

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The offeror shall describe the flow of information and its overall management and technical approach to keeping HCFA management fully informed and aware of the operational effectiveness of all on-going operational activities. The offeror shall also describe specific ideas, methods and or procedures that will facilitate HCFA's ability to assess the needs, quality, and quantity of work being performed.

The offeror shall describe how it plans to provide all reports to HCFA in a quality and timely manner according to the specifications of Section C and Section J (Cost report schedules and project management reports). The offeror's description should also address the narrative content of project management reports it believes would enhance the information exchange with HCFA regarding the status of operations of the contract over and above that described in the RFP

(D) Interactions

The offeror shall describe its approach to accomplishing the interactions that will be required during the contract term, as prescribed in Section C.8. Among these activities are:

- o Regular and non-routine communication with HCFA, MTS Design Contractor, MTS system maintainer, Processing Centers, the Data Operations and Analysis Center, and telecommunications vendor.
- o Contacts with HCFA Central Office and Regional Office staffs as shall be needed during the term of the contract;

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- o Providing regular communication and assistance to carriers, intermediaries, and providers in handling problems of a functional or operational nature.

(E) Quality Control and Cost Containment

The offeror shall describe its overall management and technical approach to control cost while delivering high quality deliverables. Describe the means to assure quality management, further cost containment and describe specific ideas, methods, and or

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procedures that would result in high quality yet cost effective deliverables in each functional area. Describe any reports that will illustrate that cost projections were accurate and that cost containment has occurred.

Each offeror shall describe the plan to develop and implement a Quality Assurance program which shall include practices, procedures, and guidelines to ensure compliance with all stated requirements in Section C of this RFP. The offeror shall describe its plan for interrelating QA throughout all phases of the contract.

(F) Subcontracting

Each offeror shall describe the management approach and description of the extent to which the offeror plans to use subcontracts for this project. This includes subcontracting with Small Business and Small Disadvantaged Business concerns (see L.16 above.) Particular emphasis should be placed on procedures for acquiring the subcontractors and how performance status is determined, assessed and projected through subcontract completion. Offerors shall also provide the following information for each planned subcontract:

- o Name and address of subcontractor;
- o Products or services to be supplied;
- o Type of contract and estimated cost and fee/profit
- o Subcontract period
- o Affiliation with prime Contractor (if any);
- o Responsibility of each party to the agreement;

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- o Subcontract personnel resumes, if filling key personnel positions; and
  - o Plans and procedures to be used to manage the subcontract.
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## (2) Management and Organizational Approach

- (i) The offeror should state its understanding of the statement of work to be performed in each functional area in each major section. The offeror should describe its management and technical philosophy and/or corporate policy for managing the operations of each functional area. The offeror should provide a summary of existing methods, policies and procedures that will be implemented in each specific area. The offeror shall describe its overall approach to maintaining continuous high levels of performance and describe specific ideas, methods, and/or procedures that are proposed to ensure continuity of performance in the management and technical areas.
- (ii) Offerors shall state the importance of the proposed project and the priority that will be placed on it by the corporation. The Offeror shall define its overall corporate structure and the function and responsibility of any major subcontracts which may be proposed. Describe resources available through affiliates, as well as corporate management time which will be directed to the contract. The corporate lines of authority as well as each corporate office's time commitment to the MTSOS contract shall be detailed.
- (iii) The offeror shall describe its plan for meeting the technical challenges of the MTS Operating Site, including plans for keeping abreast of the rapidly changing IT technology and advising HCFA management of the impacts of changing technologies on the MTS operating sites.
- (iv) The Offeror shall state whether or not all administrative contract support systems that require governmental approval, such as purchasing and estimating, are currently unconditionally approved. If not, the offeror shall explain any existing conditional approvals and shall indicate the status of any contract systems for which approval is currently withheld.

Offerors shall prepare each of the sections outlined below in a section that can easily be removed from the Technical Proposal binder. Offerors are advised to review Section C for a detailed explanation of the MTS Operating Site contract requirements. Offerors are also advised to review Section M for the evaluation criteria against which all proposals will be scored and Section J for additional information and exhibits.

(1) Facility Preparation

- (i) The offeror will demonstrate an understanding of the requirements for establishing the MTS Operating Site facility and its operational environment and the ability to resolve any issues that may arise.
- (ii) The offeror must describe in detail its plan to acquire, prepare, and maintain the facility in accordance with the MTS transition schedule and other requirements of Section C.6. The offeror shall provide the location of the MTS Operating Site facility, the rationale for the choice, and any supporting documentation such as site surveys, floor plans, configuration diagrams, tentative leasing agreements, etc. The Offeror must identify any potential environmental or natural disaster risks that may be present with the location proposed and the solutions that would be required to mitigate those risks.
- (iii) The offeror will describe the plan to acquire, configure, install, and maintain all proposed computer hardware and associated peripheral resources, including the equipment identified in Section J.1, Hardware/Software Catalog. Back up equipment must be included and specifically identified as such. The offeror must provide a complete inventory which identifies all computer hardware and associated peripheral resources necessary for performance under this contract. The offeror must also provide a schedule for purchasing and installing hardware in accordance with the MTS transition schedule and other requirements of Section C.
- (iv) The offeror shall describe the procedures for demonstrating that the MTSOS physical plant is capable of handling the MTS Operating Site requirements.
- (v) The offeror will describe the testing and acceptance of the initial installation of the computer hardware, associated peripheral resources, and the MTS software, including telecommunication resources, and subsequent upgrades and new equipment.

(2) Description of Proposed Operating Environment and Controls

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- (i) The offeror will demonstrate an understanding of the operating environment and ongoing operational activities. The offeror must also demonstrate an understanding of the operational control procedures that are required and the ability to resolve any issues that may arise. The offeror shall also provide a description of any management procedures or systems developed expressly for the proposed contract.
- (ii) The offeror shall specify the procedures used to monitor system performance including, but not limited to, the CPU, storage management support, LAN connectivity, and GFE VAN support.
- (iii) The offeror must describe the proposed diagnostic tools to be used to optimize system performance and the procedures to be employed, to ensure optimal efficiency.
- (iv) The offeror must describe the library control procedures and JCL change procedures. The planning control of hardware and software changes must be specified. The offeror must also provide the procedures and controls used to establish, maintain, and apply new releases of application software, telecommunications, and third party software, and documentation.
- (v) The offeror must describe its approach to providing hardware/software configuration management, including any tools proposed.
- (vi) The offeror must describe job scheduling and data control procedures, including the procedures for controlling system inputs and outputs in order to diagnose reported problems.
- (vii) The offeror must describe its hardware capacity planning process, including the tools and methods utilized to determine processing and throughput requirements
- (viii) The offeror shall describe the planned maintenance procedures (and responsible persons) for all MTSOS equipment and associated equipment, and the procedures to resolve technical problems. The offeror shall describe the planned maintenance procedures to ensure that preventative maintenance at the MTSOS shall be scheduled in such a way that it minimizes the impact on production schedules and or overall systems performance. The offeror must also describe procedures for responding to reported problems.

(ix) The offeror must describe its plan to develop and implement a security program to ensure the existence of adequate safeguards to protect personal/proprietary and other sensitive data in an automated system and to ensure the physical protection of all IT systems and facilities as stated in Section C.13. The security plan must be a separable document and include the following:

- o Administrative Security--security in hiring practices, employee identification (ID) procedures, security awareness and training programs, policies for access to terminal, computers, and files.
- o Technical Security--a description of the software security packages and/or procedures used by the offeror to ensure the integrity of applications development/maintenance, access to sensitive codes, etc.
- o Physical Security--a description of the procedures the offeror will use to ensure access control to the MTS Operating Site work environment (physical plant).

(3) Print/Mail Operations (Applicable Only to Processing Centers)

The offeror will demonstrate an understanding of the print/mail operations and requirements as described in Section C.19. The offeror shall describe the location of the print/mail facility if not co-located with other Processing Center functions, and the rationale for locating the facility. The offeror will provide its plan for obtaining, operating, and maintaining print/mail equipment and how it will integrate and test the equipment to ensure it will meet the operational requirements of the contract. The offeror shall provide a draft Operation Manual as prescribed in Section J, Exhibit 17.

(4) System Integration (Applicable Only to Data Operations and Analysis Center)

The offeror must exhibit an understanding of its system integration role and responsibilities as shown in Section C.20. This includes a discussion of the resources to be applied, tools and techniques to be utilized, and how interactions with other entities will be accomplished.

(5) Transition Plan (Applicable Only to Processing Center)

- (i) The offeror must exhibit its understanding of its role and responsibilities in the transition of local Contractors to the MTS Operating Site as described in Section C.4 and Section J, Exhibit 2.

(ii) The offeror shall furnish a detailed Transition Plan in a graphical and written format. The plan must identify all project tasks, their sequence, start and finish dates, deliverables, milestones, dependencies, critical path, and float or slack time.

(iii) The offeror must provide an organizational chart and a resource management plan for the transition period. The offeror shall identify titles and skill levels of transition team personnel, and their experience and responsibilities relative to the transition.

(iv) The offeror must describe its proposed coordination activities as prescribed in Section C.8 during the transition period.

(6) Training (Applicable Only to Processing Center)

(i) The offeror must address its general approach and plan to be utilized to satisfy the requirements of providing training to the users of the MTS in accordance with Section C.18.

(ii) Offerors are advised that the Government, at this time, cannot provide the required details on the time, number, length, frequency, or place of the training. Therefore, the Government will not require offerors to provide any cost data for user training as described in C.18 in their business proposal.

(iii) If the Government can provide the required details for costing purposes in a timely manner prior to receipt of proposals, the RFP will be amended accordingly. If the Government cannot provide the required information, the awarded Contractors will be requested to provide a cost proposal for the training requirements post award.

(7) Training Support (IT) (Applicable Only to Data Operations and Analysis Center)

(i) The offeror must exhibit its understanding of its responsibilities in providing IT support for MTS training activities as shown in Section C.18.

(ii) The offeror shall furnish detail regarding such areas as: those using the training system, how the training system will be kept apart and distinct from the production system, and hours of availability.

## (8) Business Resumption Plan

- (i) The offeror shall provide a business resumption plan (BRP) in accordance with Section C.12 that will provide for the continuing availability of key system components in the event of a disruption of operations.
- (ii) The plan must cover all types of disruptions, including natural disasters, component failures, and network or power failures.
- (iii) The BRP must include disaster recovery procedures to respond to specific disaster/disruptions to protect lives, limit damage, protect sensitive data, circumvent safeguards according to established bypass procedures, and minimize impact on operations.
- (iv) The offeror must accommodate operating in a degraded mode and must also present plans for the orderly resumption of full operations at its operating site or backup facility.
- (v) The BRP must also describe the coordination with the other MTS Operating Sites and its plans for off-site storage and the regular updating of copies of software, data, etc. to assure the continuity of vital operations

## (9) Understanding the Nature of the Work

Each offeror shall demonstrate its understanding of the magnitude and scope of the work to be performed. This section will show the offeror's understanding of the Medicare Transaction System, its relationship to the Medicare program, and the role of the MTS Operating Site. The offeror shall also address any major issues, problems, or problem areas foreseen, and any potential technical boundaries that may constrain the project. The offeror shall also identify any assumptions influencing the proposal. This section shall also show the offeror's understanding of the MTS requirements as outlined in Section C.

### L.24.e. Section III - Contractor Capability

#### (1) Experience

- (i) The offeror shall provide information on its experience in providing services of similar size and scope to those defined in the Statement of Work. Offerors shall demonstrate experience in the following areas:
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- operating a very large scale data processing facility;
  - operating a very large scale on-line transaction processing or claims processing operation;
  - experience in providing telecommunications interfaces in a large enterprise environment;
  - experience with client/server technology;
  - managing and developing configuration and activity plans;
  - maintaining computer hardware and associated peripheral equipment;
  - experience in capacity planning management;
  - experience in very high volume print/mail operations (applicable only to Processing Center);
  - experience with United States Postal Service (USPS) mail management requirements and procedures (applicable only to Processing Center);
  - experience in organizing and preparing user training materials (applicable only to Processing Center);
  - experience in planning and delivery of user training involving a large enterprise environment (applicable only to Processing Center);
  - experience in planning, managing, and carrying out a large scale system transition effort involving multiple users and multiple locations ( applicable only to Processing Center).
  - experience in providing systems integration in a large enterprise environment involving multiple sites and substantial hardware and software (applicable only to Data Operations and Analysis Center);
  - experience in providing systems integration for multiple functions involving multiple resources (applicable only to Data Operations and Analysis Center); and
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(ii) Contract references shall be for contracts that are currently operational or were operational within the last 5 years from the date of issuance of this RFP. Contracts listed may include those entered into with the Federal, state and local Governments and commercial customers. For each contract, provide complete identifying information and a brief description of the work.

(iii) If a prime/subcontracting effort is being proposed, the subcontractor must also provide information on its government or commercial contracts. Identical information must be provided for each of the contracts to demonstrate the related experience of the subcontractor in performing support services.

## (2) Performance

(i) Each offeror will be evaluated on its performance under existing and prior contracts for similar products or services. Performance information will be used for both responsibility determinations and as an evaluation factor against which offerors' relative rankings will be compared to assure best value to the Government. The Government will focus on information that demonstrates quality of performance relative to the size and complexity of the procurement under consideration. The Performance Information Form identified in Section J, Exhibit 5 will be used to collect this information. References other than those identified by the offeror may be contacted by the Government and the information received from those references used in the evaluation of the offeror's past performance.

(ii) The offeror shall list five (5) contracts from the references provided in response to (1)(I) above. For each contract, provide the following:

- Contract identification, including the name, address, and telephone number of the Project Officer or comparable official. The offeror shall be responsible for ensuring that names and phone numbers are current as of the date of issuance of this RFP;
  - Contract number and type of contract;
  - Date of contract, period of performance, and place of performance. State if option years were exercised, and if not, why not.
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- A description of the contract scope of work and how it was similar to the proposed effort. The offeror must provide a technical description sufficient to permit ready assessment. It is not sufficient to state that past or ongoing projects are similar in size, complexity and /or scope. Rationale must be provided to convince the Government that it is indeed similar in size, scope and functionality;
  - Size of the contract and the annual expenditure;
  - The number of professional/technical personnel assigned by category and the percent turnover of contract personnel per year;
  - A detailed description of the methodologies, techniques and tools used in the performance of the contract;
  - Whether or not the contract was successfully completed, including any know performance evaluations. Specify success through cost, scheduling, technical performance factors, and corrective actions taken to resolve problems.
  - The name of any subcontractor support and the functions/ activities subcontracted. Describe the experience acquired in managing the subcontractor(s) and problem/issue resolution techniques employed.
- (iii) Offerors should not provide general information about their performance on the identified contracts. General performance will be obtained from the references.
- (iv) The offeror may describe any quality awards or certifications that indicate the offeror possesses a high-quality process for developing and producing the product or service required. Such awards or certifications include, for example, the Malcolm Baldrige Quality Award, other Government quality awards, and private sector awards or certifications (e.g., the automobile industry's QS 9000, Sematech's SSQA, or ANSI/EIA-599). Identify what segment of the company (one division or the entire company) that received the award or certification. Describe when the award or certification was bestowed. If the award or certification is over three years old, present evidence that the qualifications still apply.
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(3) Personnel

(I) Key Personnel

The offeror shall provide resumes for persons proposed for the following positions identified in Section C.5 by the Government as being "key" to the Operating Site contract. This includes any subcontractor personnel and/or consultants:

(A) Processing Center Key Personnel

- Operating Site Manager
- Systems and Operational Support Manager
- Data Base Administrator
- Print/Mail Facility Manager
- Transition Manager
- Training Manager

(B) Data Operations and Analysis Center Key Personnel

- Operating Site Manager
- Systems and Operational Support Manager
- Data Base Administrator
- System Integration Manager

(C) The offeror shall certify in writing that the information on each resumé submitted is true and complete, and that the individuals named shall be available to be assigned to tasks under this contract. Resumés must follow the format shown in Section J,

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Exhibit 21 and should be limited to no more than 4 pages each.

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(D) Emphasis should be placed on descriptions of the individual's skills and expertise related to the performance of the function he or she will be assigned to, rather than a historical listing of employment.

(E) Unless this contract specifies that a key person must be assigned 100% to a position, the offeror may propose that an individual be used for more than one skill position and provide more than one service.

(F) Letters of commitment are required of all key personnel proposed to work on this effort. The letter of commitment must include the date of availability, the salary accepted by the individual, how long the individuals commitment is binding, and be signed by the individual and a corporate authorized official. For employees not presently employed, a resume unaccompanied by a letter of commitment shall be explained. Key personnel must remain in their position for the first year of the contract as required in Section C.5.

(G) At a minimum, the information to be included in all resumes shall include:

- Name
- Position
- Educational Background of individual proposed
- Immediate supervisors for the past 5 years (in reverse chronological order). Include supervisors name, address, and telephone number.
- Professional accomplishments in terms of relevant publications, honors, award, significant and relevant project completions, etc.
- Years of experience in the position proposed in this effort as well as relevant experience in positions subordinate to that proposed.

(H) The offeror must provide verification from a certified bonding company of the \$ 5 million bonding requirements as specified in Section C.5.a.(4).

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(ii) Non-Key Personnel

Offerors shall submit representative resumes or the skill levels the offeror will acquire for each category of non-key personnel proposed for this contract.

L.25. BUSINESS PROPOSAL FORMAT AND CONTENT

L.25.a. General Information.

(1) The offeror shall provide a Business Proposal which shall follow the format described below for the base operational period and all option years. The business proposal must stipulate that it is predicated upon all the terms and conditions of this RFP.

(2) The offeror, at a minimum, must submit a business proposal fully supported by cost and pricing data (See FAR 15.804) adequate to establish the reasonableness of the proposed cost/price and to allow complete cost/price analysis. Categories and amounts for facilities, hardware and equipment, labor, materials, printing supplies and postage (Print/Mail facility), travel, computer time, overhead, and other direct costs are required. Offerors are provided Standard Form (SF) 1411, "Contract Pricing Proposal Cover Sheet," (Section J, Exhibit 19) which shall constitute the basis of the cost/price proposal. In addition, all proposed subcontractor budget proposals must be submitted in accordance with SF 1411. Such proposals must be completed in accordance with the instructions provided with the SF 1411 and the offeror must comply with the instructions and footnotes of the form and fill in or check the appropriate boxes.

(3) Additionally, the offeror must submit a forecast of monthly expenditures for the first two (2) years of the proposed contract period of performance, the sum total of which will equal the offeror's total estimated cost/price for the first two years.

(4) The offeror shall indicate cost or price detailed data in narrative form and on Excel spreadsheet (Release 5.0 version) on a 3 ½" disk and in hard copy. The offeror shall include an index of all the files included on the disk with a tree diagram depicting the file relationships. Two (2) copies of the disk(s) shall be submitted with one copy identified as

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the backup. In the case of a discrepancy between the disk and hard copy, the hard copy shall take precedence.

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(5) The Government may conduct pre-award surveys of offerors. Among other reasons, one purpose of the surveys will be to review the offeror's purchasing systems for acceptability.

(6) Unless the offeror proposes hardware/software tools, packages, etc. on a no-cost basis, the costs of all such items offered in the technical proposal shall be included in the business proposal.

(7) For purpose of this solicitation, the total fee that may be obtained (base fee plus award fee) may not exceed 10%.

#### L.25.c. Format

To facilitate proposal preparation and evaluation, the offeror shall submit as part of its proposal a separate enclosure entitled "Business and Cost/Price Proposal". The Business and Cost/Price Proposal shall be fully self-contained and shall be divided into the following major sections:

- (1) Tab A -- Financial Condition and Capability
  - (2) Tab B -- Cost Management
  - (3) Tab C -- Subcontracting Cost and SADBUS Plans
  - (4) Tab D -- Facilities, Equipment, and Supplies
  - (5) Tab E -- Total Compensation Plan
  - (6) Tab F -- Negotiated Indirect Cost(s) Rate Agreement
  - (7) Tab G -- Representations, Certifications, and Other Statements of Offerors
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(8) Tab H -- Cost Reporting Instructions and Exhibits

L.25.d. Content

(1) Financial Condition and Capability

Offerors shall state what percentage of their current estimated business this effort will entail

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during the life of the contract. Offerors shall also provide a current financial statement, including a balance sheet and profit and loss statement, as well as a description of assets, accounts receivable, land, buildings, or equipment carried on the aforementioned balance sheet. A cash flow statement including the source of all funds shall also be included. Specify resources available to perform the contract without assistance from any outside source. If sufficient resources are not available, indicate in your proposal the amount required and the anticipated source (e.g., bank loans, letter or lines of credit, etc.)

If other divisions, subsidiaries, a parent or affiliated companies will perform work or furnish materials under this proposed contract, provide the name and location of such affiliate and the offeror's intercompany pricing policy.

(2) Cost Management

Each offeror shall describe its organizational approach to cost management, including cost tracking, reporting and control on the management level as each relates to technical performance throughout the life of the contract. Cost target achievement history for previous similar contracts listed in the technical proposal shall also be described.

(3) Subcontracting Costs and SADBUS Plans

An SF-1411 and supporting cost/price information shall be acquired and furnished for each proposed subcontractor in the same format and level of detail as prescribed in this solicitation for the prime offeror. Offerors are required to submit a certificate of current cost and pricing data from each proposed subcontractor in accordance with FAR 52.244-2. Each offeror shall also submit a SADBUS Plan. (See Section J, Exhibit 23).

(4) Facilities, Equipment, and Supplies

- (i) The offeror will provide all facilities, equipment and supplies necessary for
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performance of the contract, except those items identified in H.2 and elsewhere in the RFP.. Each offeror shall submit a description and cost breakout of all proposed facilities, computer hardware, peripheral equipment, software, and supplies that are required to meet the requirements of Section C.

(ii) As discussed in Section C.7.a (18), the Processing Center Contractor may be required to provide forty five (45) asynchronous communication servers, in addition to the five (5) asynchronous communication servers that must be located at the Processing Center site.

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These 45 servers must be divided equally at nine sites that may be located anywhere in the country other than at the Processing Center. The offeror shall price the cost of these 45 remote communication servers separately.

(iii) Exception may be granted to furnish Government-owned property, or to authorize purchase with contract funds, only when approved by the Contracting Officer. If the offeror is proposing that the Government provide any equipment, other than that specified in H.2., the proposal must include comprehensive justification which includes:

(A) An explanation that the item is for a special use essential to the direct performance of the contract and the item will be used exclusively for the purpose.

(B) No practical or economical alternative exists (e.g., rental, capital investment) that can be used to perform the work.

(iv) The offeror shall identify Government-owned property in its possession which it proposes to use in the performance of the prospective contract. If the offeror is proposing GFP under the organization's contract with another Government agency must provide written certification from said other agency that their GFP may also be used by the Contractor on this particular contract effort. (If no such GFP exists at the time of proposal preparation, but arises later in the life of the contract, this certification must be provided to the Contracting Officer prior to using the equipment on this contract.)

#### (5) Total Compensation Plan

Each offeror shall submit a total compensation plan setting forth salaries and fringe

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benefits for professional employees who will work under this contract. The plan shall include a sound management approach for retention of necessary key personnel and skilled professionals. It will include an assessment of the offeror's ability to provide uninterrupted work of high quality. The total compensation proposed will be evaluated in terms of enhancing recruitment and retention of personnel and its realism and consistency with a total plan for compensation (both salaries and fringe benefits). The plan should also include any recruitment, relocation, and replacement costs, as well as initial and ongoing training of Contractor employees.

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(6) Negotiated Indirect Cost(s) Rate Agreement

The offeror shall include a copy of its latest negotiated indirect cost(s) (e.g., overhead, fringe benefits, general and administrative (G&A) expense, etc.) rate agreement. All proposed indirect cost centers and rates shall be in accordance with and consistent with the offeror's normal estimating and/or accounting system as set forth in the offeror's most currently approved Cost Accounting Standards Disclosure Statement.

Offerors are advised that the creation of and proposal of new indirect cost centers and/or rates solely and specifically for this contract effort are not acceptable and will not be considered.

(7) Representations, Certifications, and Other Statements of Offerors

The offeror shall complete, sign, date and submit an original of the "Representations, Certifications, and Other Statements of Offerors" included under Section K of this solicitation. Offerors are required to submit a certificate of current cost and pricing data from each proposed subcontractor in accordance with FAR 52.244-2.

(8) Contract Pricing Proposal Instructions and Exhibits

(i) General Instructions

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(A) Each offeror shall submit a Contract Pricing Proposal consisting of its estimated cost and proposed fee to perform the required work as set forth in the Statement of Work. Since the Contract Pricing Proposal will be evaluated to determine the reasonableness, realism and the probable cost to the Government, it should be accurate, complete, current and well documented.

(B) The Contract Pricing Proposal shall contain a table of contents or index where, at a minimum, all forms, exhibits, schedules and tables shall be identified and listed. All final monetary extensions shall be expressed in whole dollars with cents omitted.

(C) Federal Acquisition Regulations (FAR) Part 31, Contract Cost Principles and Procedures, shall be the guide to definition of the cost elements proposed.

(D) Competitive Subcontracting Methods - For those acquisitions (i.e., subcontracts) over \$100,000 priced on a competitive basis, also provide data showing degree of competition, and the basis for establishing the source and reasonableness of price. For

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interorganizational transfers priced at other than cost of the comparable competitive commercial work of the division, subsidiary, or affiliate of the Contractor, explain the pricing method (See FAR 31.205-26(e)).

(E) Noncompetitive Subcontracting Methods - For those acquisitions (i.e., subcontracts) over \$100,000 priced on a noncompetitive basis, also provide data showing the basis for establishing source and reasonableness of price. For standard commercial items fabricated by the offeror that are generally stocked in inventory, provide a separate cost breakdown if price based on cost. For interorganizational transfers priced at cost, provide a separate breakdown of cost by elements. As required by FAR 15.806-2(a), provide a copy of cost or pricing data submitted by the prospective source in support of each subcontract, or purchase order that is either: (I) \$1,000,000 or more, or (ii) both more \$100,000 and more than 10 percent of the Prime Contractor's proposed price. The

Contracting Officer may required submission of cost or pricing data in support of proposals in lower amounts. Submit the results of the analysis of the prospective source's proposal as required by FAR 15.806. When the submission of a perspective source's cost or pricing data is required as described above, it shall be included as part of the offeror's initial pricing proposal.

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(F) As part of the specific information required, the offeror shall submit with its proposal, and clearly identify as such, cost or pricing data (that is, data that are verifiable and factual and otherwise as defined at FAR 15.801). In addition, offerors shall submit with their proposals any information reasonably required to explain offeror's estimating process, including:

- the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data; and
- the nature and amount of any contingencies included in the proposed price which are allowable under FAR 31.205-7.

(G) There is a clear distinction between submitting cost or pricing data and merely making available books, records, and other documents without identification. The requirement for submission of cost or pricing data is met when all accurate cost or pricing data reasonably available to the offeror have been submitted, either actually or by specific identification, to the Contracting Officer or an authorized representative. As later information comes into the offeror's possession, it should be promptly submitted to the Contracting Officer. The requirement for submission of cost or pricing data continues up

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to the time of final agreement on price. In submitting a proposal, offerors must include an index, appropriately referenced, of all the cost or pricing data continues up to the time of final agreement an index, appropriately referenced, of all the cost or pricing data and information accompanying or identified in the proposal. In addition, any future additions and/or revisions, up to the date of agreement on price, must be annotated on a supplemental index.

(H) By submitting a proposal, the offeror, if selected for negotiation, grants the Contracting Officer or an authorized representative the right to examine, at any time before award, those books, records, documents, and other types of supporting information is specifically referenced or included in the proposal as the basis for pricing, that will permit an adequate evaluation of the proposed price.

(I) As soon as practicable after final agreement on price, but before the award resulting from the proposal, the offeror shall, under the conditions stated in FAR 15.804-4, submit a Certificate of Current Cost or Pricing Data.

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(ii) FAR Table 15-2 Instructions for Submissions for a Contract Pricing Proposal

The purpose of the enclosed Standard Form (SF) 1411 "Contract Pricing and Proposal Cover Sheet" (Section J, Exhibit 19) is to provide a standard format whereby the offeror submits to the Government a summary of the proposed costs/prices. In completing this form, the offeror must comply with the instructions and footnotes of the form and fill in or check the appropriate boxes. This form shall be supplemented by supporting exhibits, schedules and information as required by this solicitation adequately cross-referenced and suitable for detailed analysis. In particular, a cost element breakdown, using the applicable format prescribed in Section J, Exhibit 20 shall be attached for each proposed line item. Supporting breakdowns must be furnished for each cost element, consistent with the offeror's cost accounting system. When more than one contract line item is proposed, summary total amounts covering all line items must be furnished for each cost element. In completing the cost tables provided in Section J, Exhibit 20 offerors are advised to submit a separate cost table for the prime Contractor and each subcontractor being proposed.

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L.25.e. Assumptions:

Costs for lodging meals and incidental expenses incurred by Contractor personnel shall be considered to be reasonable and allowable to the extent they do not exceed on a daily basis the per diem rates set forth in the Federal Travel Regulations, GSA. Therefore, if travel costs are applicable and proposed by offerors, please be advised that they shall be calculated using the per diem rate schedule as established by GSA. One copy of the offeror's and any proposed subcontractor's written travel policy shall be included in the business proposal (original only). If an offeror (or any proposed subcontractor) does not have a written travel policy, the offeror shall so state.

The offeror should assume a contract award date of March 31, 1997 for the base period. The base period of performance shall be five (5) years, with two (2) one-year options.

At this time, the training specifics for the Processing Centers' training of local Contractors is

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under development. Therefore, offerors should not submit local Contractor training costs with their financial proposal.

For the print/mail operation at the Processing Center, postage and paper supplies are pass-through costs. These costs WILL NOT be included in any determination of award fee payment.

#### L.26. CONTRACT AWARD AND PRESS RELEASES

Contractor selection and contract award information will be disclosed to offerors in accordance with FAR Part 15.1001, Notifications to unsuccessful offerors and FAR Part 15.1002, Notification to successful offeror. Offerors shall make no news releases pertaining to this solicitation or resultant contract award without prior written Agency approval and then only in coordination with the Contracting Officer.

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#### L.27. DISPOSITION OF PROPOSALS

After award of the contract, one (1) copy of each unsuccessful proposal will be retained by the Contracting Office for a period to be determined by the Contracting Officer. One (1) copy of the successful proposal will be retained by the Contracting Officer and one (1) copy by the PO. Unless return of proposals is requested by the offeror upon submission of the proposal, all other copies will be destroyed. This request should appear in any cover letter accompanying the proposal.

#### L.28. NOTICE OF AWARD AND DEBRIEFING

L.28.a. New regulations to implement the Federal Acquisition Streamlining Act of 1994

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(FASA) establish an accelerated notice of award and debriefing schedule. Specific deadlines now apply to (a) the agency's notice of contract award to unsuccessful offerors and bidders and (b) in negotiated procurements, requests by offerors for debriefings and the time frame for conducting the debriefing. FASA establishes a three-step schedule:

- (1) The procuring agency must notify unsuccessful bidders or offerors that the contract has been awarded within three days after contract award.
- (2) Unsuccessful offerors must submit a written request for a debriefing that is received by the agency within three days after the offeror received notice of the award.
- (3) The debriefing must take place, "to the maximum extent practicable," within five days after receipt of the request by the agency.

L.28.b. For purposes of the notice of award and debriefing deadlines, the term "day" means "calendar day."

L.28.c. The new regulations also mandate that the following specific 'minimum' information about the basis of the award decision be provided during the debriefing:

- (1) The agency's evaluation of the significant weaknesses or deficiencies in the offeror's proposal.
- (2) The overall evaluated cost and technical rating of the awardee and the overall evaluated cost and technical rating of the offer of the debriefed offeror.

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- (3) The overall ranking of each offer.
  - (4) A summary of the rationale for the award.
  - (5) In the case of a proposal that includes a commercial item that is an end item under contract, the make and model of the item being provided by the awardee.
  - (6) Reasonable responses to relevant questions posed by the debriefed offeror as to whether source selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the agency.
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PART IV

SECTION M - EVALUATION FACTORS FOR AWARD

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## M.1. GENERAL PROCEDURES, EVALUATION EMPHASIS, AND APPROACH

M.1.a. The evaluation process to be utilized in this acquisition will be the "greatest value concept" with the predominant consideration being award of a contract to the responsible offeror whose offer conforms to the solicitation and is most advantageous to the Government; technical, cost/price and other factors listed below considered. For this solicitation, the technical quality of the proposals is more important than cost/price. Although primary consideration shall be given to technical quality in determining contract award, the cost/price to the Government shall be evaluated and taken into consideration in the source selection. In the event that the technical evaluation process reveals that two or more offerors are judged to be technically equivalent (i.e., approximately equal in technical quality), then the lowest evaluated realistic proposed cost, as distinguished and differentiated from the

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lowest estimated proposed cost, may become the determining factor for award.

M.1.b. Offerors are again advised that primary consideration will be given to the technical quality of the proposals in the evaluation process. The business proposal will not be point-scored. However, the business proposal will be analyzed and evaluated to determine the reasonableness of the proposed cost in relation to the work to be performed. The realism of proposed costs will also be evaluated.

M.1.c. The evaluation of the technical/management proposals will be performed by a separate Technical Evaluation Panel (TEP) in accordance with the methodology set forth in Section M.3. and the evaluation factors set forth in Section M.4 and M.6. Proposals shall be evaluated in accordance with the methodology and factors set forth herein to determine the offeror's ability to complete all technical requirements for conducting the project. Proposals which merely state that the offeror will conduct the project in accordance with the requirements of the Government's Statement of Work will not be eligible for award.

M.1.d. The offeror's technical proposal must address and provide a response to each element of the technical proposal requirements as set forth in Section C and Section L of this solicitation. Any proposal which addresses only part of the technical requirements may be considered indicative of the lack of acceptable understanding of, and response to, the Government's technical needs and therefore, may not be accepted. Additionally, deviations/exceptions taken to this solicitation will not necessarily cause a proposal to be considered unacceptable. However, a large number of deviations/exceptions may result in the rejection of an offeror's proposal as being technically unacceptable.

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M.1.e. The business and cost/price proposal will be analyzed and evaluated by a separate business evaluation panel (BEP) to determine if the offeror's proposed costs reflect the offeror's understanding of the Government's requirements, and if the proposed costs are consistent with the various elements of the offeror's technical proposal. Based upon this cost realism analysis, an assessment will be made of the probable lowest evaluated realistic proposed cost to the Government.

M.1.f. Selection will be made in accordance with the guidelines of the Federal Acquisition Regulations (FAR) subpart 15.6, Source Selection, and the Department of Health

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and Human Services Acquisition Regulation (HHSAR) subpart 315.6, entitled Source Selection. Offerors are further advised that HCFA will utilize and follow a formal source selection process consistent with FAR 15.612.

M.1.g. Pursuant to FAR section 15.610(a)(3), offerors are hereby advised that award may be made without written or oral discussions. Accordingly, proposals should be submitted initially on the most favorable terms from a technical and cost standpoint.

## M.2. EVALUATION OF OPTIONS

Except when it is determined not to be in the Government's best interests, the Government will evaluate offers for award purposes by adding the total estimated cost for all option periods to the total estimated cost for the base contract period. Evaluation of options will not obligate the Government to exercise the options. Offers containing any charges for failure to exercise any option may be rejected.

## M.3. EVALUATION METHODOLOGY

M.3.a. The methodology to be followed in the evaluation of the technical proposals by the TEP for each offeror will be the application of the unpriced weighted technical factors and subfactors set forth in Section M.4. The evaluation will produce numerical scores (points) for each offeror based upon the information contained in the proposals. Therefore, the technical proposals shall provide all information necessary to properly evaluate the proposals in accordance with the evaluation factors. The Contracting Officer may request clarifying information from an

offeror, if required to complete the initial technical/management evaluation. An offeror should not assume that the Contracting Officer will independently obtain information necessary to evaluate its proposal and should therefore supply all information required to evaluate its proposal. Failure to provide the information required to evaluate a proposal could result in rejection of the proposal as being technically unacceptable.

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#### M.4. TECHNICAL EVALUATION FACTORS FOR THE PROCESSING CENTER

FACTOR		POINTS AVAILABLE	
=====			
1.	Project Management		300
	Project Management Plan	200	
	Management and Organizational Approach	100	
2.	Technical Capability		350
	Facility Preparation	70	
	Operating Environment and Controls		70
	Print/Mail	60	
	Transition Plan		50
	Training	50	
	Business Resumption Plan	25	
	Understanding the Nature of the Work	25	
3.	Contractor Capability		350
	Experience	125	
	Past Performance	125	
	Personnel	100	

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#### M.5 DETAILED TECHNICAL EVALUATION FACTORS TO BE CONSIDERED FOR THE PROCESSING CENTER

##### M.5.a Project Management (300)

The offeror's overall approach for managing the MTS Processing Center contract will be evaluated and scored according to the following factors and available points.

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(1) Project Management Plan (200)

The Government will consider the following subfactors to evaluate and score the offeror's overall project management plan. Subfactors are listed in descending order of importance.

- Detail and description of plan
- Work Breakdown Structure
- Graphic project display (PERT/CPM, Gantt)

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

(2) Management and Organizational Approach (100)

The Government will consider the following subfactors to evaluate and score the management and organizational approach to the MTS Processing Center contract. Subfactors are listed in descending order of importance.

- Understanding of the statement of work
- Approach/method and procedures for maintaining high levels and continuity of performance in management and technical areas
- Corporate commitment to MTS Operating Site contract and its relationship to the overall corporate organization

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

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M.5.b. Technical Capability (350)

The offeror's technical capability will be evaluated and scored according to the following factors and available points.

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### (1) Facility Preparation (70)

The Government will consider the following subfactors to evaluate and score the offeror's proposal for establishing and maintaining the MTS Processing Center. Subfactors are listed in descending order of importance. When a number of items are listed in a subfactor, they are of equal value.

- Acquisition, preparation, and maintenance of the facility
- Acquisition, installation, and maintenance of all computer hardware and associated peripheral equipment and its applicability to the proposed Transition Plan.
- Hardware configuration
- Hardware and software testing and acceptance

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

### (2) Operating Environment and Controls (70)

The following subfactors will be used to evaluate and score the offeror's understanding of the operating environment and controls required under the MTS Operating Site contract. Subfactors are listed in descending order of importance.

- Security procedures to protect personal/proprietary and other sensitive data and to protect IT systems, equipment and facilities
- System performance monitoring and optimization
- Hardware and software configuration management

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Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

### (3) Print/Mail (60)

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The following subfactors will be used to evaluate and score the offeror's print/mail facility and operations as part of the Processing Center. Subfactors are listed in descending order of importance. When a number of items are listed in a subfactor, they are of equal value.

- Acquisition, preparation, and maintenance of the facility
- Configuration, Environment and controls

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

#### (4) Transition Plan (50)

The following subfactors will be used to evaluate and score the offeror's Transition Plan. The evaluation will be based on the Transition Plan that the offeror must submit as required in Section C.4 of this RFP.

- Content and detail of the Transition Plan

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

#### (5) Training (50)

The following subfactors will be used to evaluate and score the offeror's approach to training local contractors' trainers during the transition and subsequent periods. The evaluation will be based on the Training Plan that the offeror must submit as required in Section C.18 of this RFP.

- Content and detail of the Training Plan

Those required factors listed in Section C which are not addressed here carry equal but

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lesser weight.

(6) Business Resumption Plan (25)

The following subfactors will be used to evaluate the offeror's Business Resumption Plan. These subfactors are in descending order of importance. When a number of items are listed in a subfactor, they are of equal value.

- Detail and description of how the Processing Center will limit damage, protect sensitive data, establish bypass procedures, and minimize impact on operations, including print/mail
- Degraded mode operation
- Coordination with other MTS Operating Sites
- Off-site storage and regular updating

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

(7) Understanding the Nature of the Work (25)

The Government will consider the following subfactors to evaluate and score the offeror's understanding of the magnitude of the work and the technical requirements to be met. Subfactors are listed in descending order of importance.

- Understanding the requirements of the Statement of Work
- Assumptions influencing the proposal

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

(1) Experience (125)

The Government will evaluate the corporate experience of the offeror as it relates to similar projects. The offeror must describe experience within the last 5 years with operations or contracts of a similar size and scope to the MTS Processing Center. Items to consider include the following attributes: similarity in size and functions to the MTS Processing Center environment, complexity of the operation, timeliness of experience, technical compatibility to the MTS environment, level of technology, and customer support. Staffing, the range of technical services, and overall service will also be considered.

(2) Past Performance (125)

The Offeror's past performance will be evaluated as follows. The first three subfactors are of equal importance and carry the same weight. The remaining three subfactors are of lesser value and in descending order of importance.

- Timeliness of Performance
- Cost Control
- Customer Satisfaction
- Quality of Product or Service
- Business Relations
- Awards



Assessment of the offeror's past performance will be one means of evaluating the credibility of the offeror's proposal, and relative capability to meet performance requirements. Information utilized will be obtained from the references listed in the proposal, other customers known to the Government, consumer protection organizations, and others who may have useful and relevant information. Information will also be considered regarding any significant subcontractors, and key personnel records.

Award may be made from the initial offers without discussions. However, if discussions are held, offerors will be given an opportunity to address unfavorable reports of past performance, if the offeror has not had a previous opportunity to review the rating. Recent contracts will be examined to ensure that corrective measures have been implemented. Prompt corrective action in isolated instances may not outweigh overall negative trends.

### (3) Personnel (100)

The Government will evaluate and score the key personnel (including subcontractor personnel) submitted as part of the offeror's proposal. The quality, experience, and commitment of proposed staff are considered important factors in evaluating the offeror's overall ability to effectively operate and manage the MTS Processing Center. Each offeror will be evaluated on the qualifications of the specific key personnel listed in the RFP. Key personnel will be evaluated to determine the availability, competency, pertinent education, and related experience for the functional activities included in the Statement of Work. The requirements which will be evaluated as part of the offeror's key personnel approach may be found in Section C.5.

The Government will evaluate proposed non-key personnel qualifications to ensure the requirements in Section C will be adequately met throughout the life of the contract.

## M.6. TECHNICAL EVALUATION FACTORS FOR THE DATA OPERATIONS AND ANALYSIS CENTER

FACTOR	POINTS AVAILABLE
1. Project Management	300
Project Management Plan	200
Management and Organizational Approach	100
2. Technical Capability	300
Facility Preparation	70
Operating Environment and Controls	70
System Integration	70
Training Support (IT)	40
Business Resumption Plan	25
Understanding the Nature of the Work	25
3. Contractor Capability	400
Experience	150
Past Performance	150
Key Personnel	100
TOTAL POINTS	1000

## M.7. DETAILED TECHNICAL EVALUATION FACTORS TO BE CONSIDERED FOR THE DATA OPERATIONS AND ANALYSIS CENTER

### M.7.a Project Management (300)

The offeror's overall approach for managing the Data Operations and Analysis Center contract will be evaluated and scored according to the following factors and available points.

(1) Project Management Plan (200)

The Government will consider the following subfactors to evaluate and score the offeror's overall contract management plan. Subfactors are listed in descending order of importance.

- Detail and description of plan
- Work Breakdown Structure
- Graphic project display (PERT/CPM, Gantt)

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

(2) Management and Organizational Approach (100)

The Government will consider the following subfactors to evaluate and score the offeror's management and organizational approach to the Data Operations and Analysis Center contract. Subfactors are listed in descending order of importance.

- Understanding of the statement of work
- Approach/method and procedures for maintaining high levels and continuity of performance in management and technical areas
- Corporate commitment to the Data Operations and Analysis Center contract and its relationship to the overall corporate organization

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

#### M.7.b. Technical Capability (300)

The offeror's technical capability will be evaluated and scored according to the following factors and available points.

##### (1) Facility Preparation (70)

The Government will consider the following subfactors to evaluate and score the offeror's proposal for establishing and maintaining the Data Operations and Analysis Center. Subfactors are listed in descending order of importance. When a number of items are listed in a subfactor, they are of equal value.

- Acquisition, preparation, and maintenance of the facility
- Acquisition, installation, and maintenance of all computer hardware and associated peripheral equipment and its applicability to the proposed Transition Plan (see Section C.4).
- Hardware configuration
- Hardware and software testing and acceptance

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

##### (2) Operating Environment and Controls (70)

The Government will consider the following subfactors to evaluate and score the offeror's understanding of the operating environment and controls required of the DOAC. Subfactors are listed in descending order of importance.

- Security procedures to protect personal/proprietary and other sensitive data and to protect IT systems, equipment and facilities including the financial server
- System performance monitoring and optimization
- Hardware and software configuration management

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

(3) System Integration (70)

The Government will consider the following subfactors to evaluate and score the offeror's system integration activities. Subfactors are listed in descending order of importance.

- Understanding and approach
- Resources
- Tools and Techniques
- Interactions with other entities

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

(4) Training Support (IT) (40)

The Government will consider the following subfactors to evaluate and score the offeror's approach to the IT training support of the Processing Centers' training effort. The following subfactors shall be considered and are of equal importance.

- Understanding and approach
- Resources

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

(5) Business Resumption Plan (25)

The Government will consider the following subfactors to evaluate and score the offeror's Business Resumption Plan. Subfactors are listed in descending order of importance. When a number of items are listed in a subfactor, they are of equal value.

- Detail and description of how the DOAC will limit damage, protect sensitive data, establish bypass procedures, and minimize impact on operations, including the financial server.
- Degraded mode operation
- Coordination with other MTS Operating Sites
- Off-site storage and regular updating

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

#### (6) Understanding the Nature of the Work (25)

The Government will consider the following subfactors to evaluate and score the offeror's understanding of the magnitude of the work and the technical requirements to be met. Subfactors are listed in descending order of importance.

- Understanding of the requirements of the Statement of Work
- Assumptions influencing the proposal

Those required factors listed in Section C which are not addressed here carry equal but lesser weight.

### M.7.c. Contractor Capability (400)

#### (1) Experience (150)

The Government will evaluate the corporate experience of the offeror as it relates to similar projects. The offeror must describe experience within the last 5 years with operations or contracts of a similar size and scope to the Data Operations and Analysis Center. Items to consider include the following attributes: similarity in size and functions to the DOAC environment, complexity of the operation, timeliness of experience, technical compatibility to the MTS environment, level of technology, and customer support. Staffing, the range of technical services, and overall service will also be considered.

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(2) Past Performance (150)

The Offeror's past performance will be evaluated as follows. The first three subfactors are of equal importance and carry the same weight. The remaining three subfactors are of lesser value and in descending order of importance.

- Timeliness of Performance
- Cost Control
- Customer Satisfaction
- Quality of Product or Service
- Business Relations
- Awards

Assessment of the offeror's past performance will be one means of evaluating the credibility of the offeror's proposal, and relative capability to meet performance requirements. Information utilized will be obtained from the references listed in the proposal, other customers known to the Government, consumer protection organizations, and others who may have useful and relevant information. Information will also be considered regarding any significant subcontractors, and key personnel records.

Award may be made from the initial offers without discussions. However, if discussions are held, offerors will be given an opportunity to address unfavorable reports of past performance, if the offeror has not had a previous opportunity to review the rating. Recent contracts will be examined to ensure that corrective measures have been implemented. Prompt corrective action in isolated instances may not outweigh overall negative trends.

(3) Key Personnel (100)

The Government will evaluate and score the key personnel (including subcontractor personnel) submitted as part of the offeror's proposal. The quality, experience, and commitment of proposed staff are considered important factors in evaluating the offeror's overall ability to effectively operate and manage the DOAC. Each offeror will be evaluated on the qualifications of the specific key personnel listed in the RFP. Offerors should note

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that the System Integrator will carry additional weight. Key personnel will be evaluated to determine the availability, competency, pertinent education, and related experience for the functional activities included in the Statement of Work. The requirements which will be evaluated as part of the offeror's key personnel approach may be found in Section C.5.

The Government will evaluate proposed non-key personnel qualifications to ensure requirements in Section C will be adequately met throughout the life of the contract.

#### M.8. OPTIONAL EVALUATION PROCEDURE

As part of the evaluation process for proposed key personnel, the Government may require structured interviews with selected key personnel staff, including subcontractor staff. Such interviews would be conducted for those firms in the competitive range. The interviews would serve two purposes--to validate submitted written material in the proposals and to evaluate aspects of personnel skills, knowledge and abilities not readily ascertained through resumes or vitae. The initial scoring of key personnel for all offerors will be accomplished through the evaluation of resumes, vitae and other submitted documentation. For those firms in the competitive range, the evaluated scores may be adjusted based upon the interviews.

#### M.9. OTHER FACTORS

The following factors other than technical and cost/price will be considered in making a final decision for contract award. These factors will not be point-scored, but will be reviewed, not only to supplement the decision of the relative merits of the offeror's proposal, but of the company itself. Such other factors to be considered include:

- o Non-key Personnel
- o Location in a Federally designated Empowerment Zone / Enterprise Community Area.

Offerors are advised that if proposals are judged to be equal, preference will be given to offers that propose to locate Operating Sites in Federally designated Empowerment Zones or Enterprise Community areas. See Section J, Exhibit 16 for further explanation and location of such areas.

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